

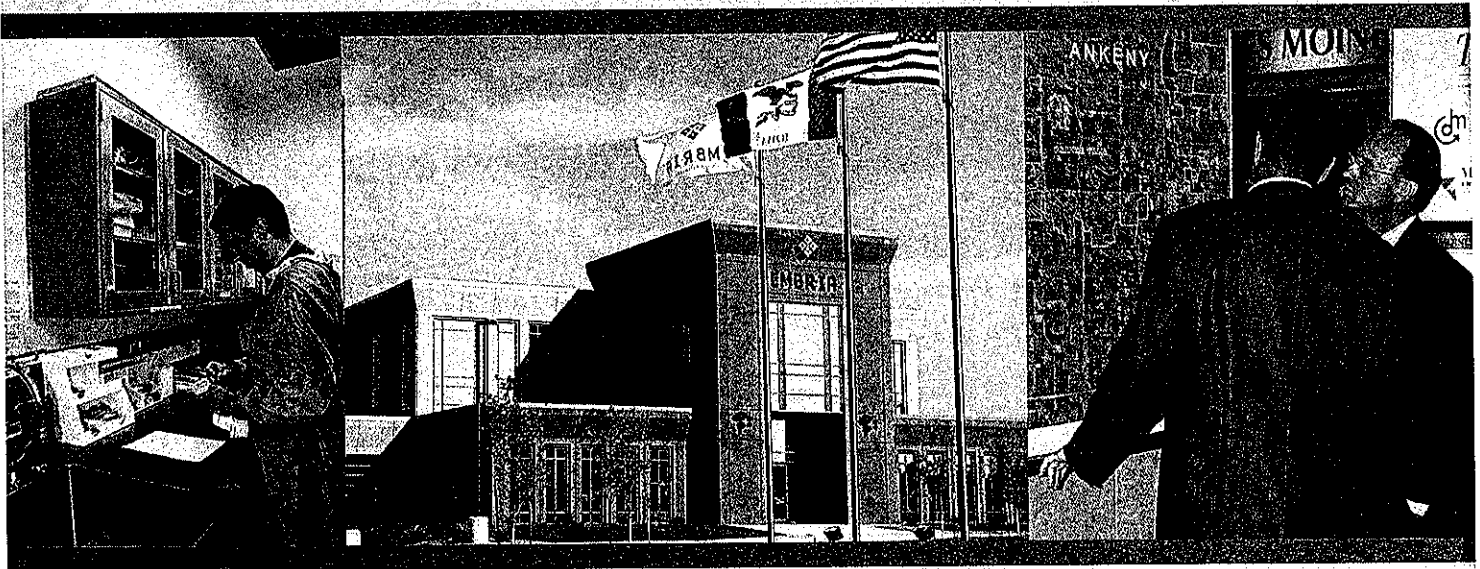


CITY OF

ANKENY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008
CITY OF ANKENY, IOWA



City of Ankeny, Iowa

Comprehensive Annual Financial Report

For the Year Ended June 30, 2008

Prepared By:

Office of Finance and Budget

Introductory Section

CITY OF ANKENY, IOWA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

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410 West First Street
Ankeny, Iowa 50023
515-965-6400
515-965-6416 fax

April 30, 2009

**TO: The Honorable Mayor, Members of the City Council,
Citizens of Ankeny**

We are pleased to submit the Comprehensive Annual Financial Report of the City of Ankeny, Iowa for the fiscal year ending June 30, 2008, in accordance with the provisions of Section 384.22 of the Code of Iowa and accounting principles generally accepted in the United States of American (GAAP).

This report consists of management's representations concerning the finances of the City of Ankeny. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to

complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Ankeny, Iowa was incorporated on February 28, 1903. The City was the idea and plan of John Fletcher Ankeny who acquired the land and laid out the plan for the city in 1875. In 1910, the U.S. census indicated the population to be 445 persons. The City experienced tremendous growth from 1960 to 1980 and then again from 1990 to the present. The 2005 U.S. special census report indicated the population to be 36,161. Ankeny's population is projected to exceed 42,500 by the year 2010. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

Ankeny is governed by a Mayor/Council/City Manager form of government. The City Council consists of the Mayor and five council members who are elected at large. The Council sets the policies for the City, adopts ordinances and resolutions, approves the annual budget and approves all expenditures. The City Manager is responsible for carrying out the policies and ordinances of the City Council as well as overseeing the day to day operations of the City. The Mayor and City Council members are elected to four year staggered terms.

The City provides a full range of services including police and fire protection, street and sewer maintenance, water and wastewater treatment, library services and parks and recreational activities. The financial reporting entity (The City) includes all the funds of the primary government (i.e. The City of Ankeny as legally defined). The City is not a component unit of another government, but does report the financial activities of three component units: Ankeny Arts Council, Ankeny Sports Complex Foundation and Keep Ankeny Beautiful. Component units are legally separate entities for which the primary government is financially accountable. The Ankeny Arts Council is the only discretely presented component unit and was created for the purpose of the promotion of performing and fine arts within the City.

The annual budget serves as the foundation for the City's financial planning and control. The department directors submit budgets to the City Manager for their individual departments requesting appropriations to fund program, service and capital needs. Following several months of review and revision, the City Manager submits a proposed budget to the City Council. The budget contains estimates of revenues and expenditures for the coming year, as well as re-estimates of revenues and expenditures for the current year. The six-month preparation process culminates in March when the City Council, following a public hearing, adopts the annual budget and certifies it to the State of Iowa by March 15. The current budget is amended at the same time. Budget appropriations are prepared by department (e.g. police), fund and program (e.g. Public Safety). Department directors may make transfers of appropriations within a department with the City

Manager's approval. Transfers of appropriations between departments, however, require the approval of City Council. Budget-to-actual comparisons are provided in this report and are presented as part of the required supplementary information on pages 68-72.

Factors Affecting Financial Condition

Local Economy. Ankeny currently enjoys a stable economic environment and is experiencing some economic and geographic expansion. Numerous business parks and industrial centers are currently under development with new employers and businesses being added each year. Major taxpayers include Casey's General Stores corporate headquarters, Tone's Spices, SYSCO Corporation, John Deere Des Moines Works, and Perishable Distributors of Iowa.

The City has historically enjoyed a very low unemployment rate for each of the last five calendar years: 3.7 percent through June 30, 2008, 3.3 percent in 2007, 4.2 percents in 2005 and 4.4 percent in 2004. Additional background data is included in the statistical section of this report. The outlook for the local economy is a slightly increased unemployment rate and continued increases in total assessed property valuation, both inside the City and in adjacent communities.

The level of residential construction slowed during FY08, reflecting the national trend; although Ankeny has seen considerable residential and population growth over the past five years. With the population growing over 30% since the 2000 census, retail and commercial development has followed suit. The City's shopping opportunities continue to expand as well as medical and professional opportunities. Ankeny is the home to several shopping centers with several others currently under development. Notable retailers include Wal-Mart Supercenter, Super Target, Menard's, Home Depot, Sportsman's Warehouse, and Kohl's Department Store.

Long Term Financial Planning. For budgetary and planning purposes, management strives to maintain an unreserved, undesignated general fund balance equal to twenty percent of total general fund expenditures. These funds are necessary to meet cash flow needs during the initial months of the new fiscal year as property tax revenue, the primary source of funding for general operations, is collected semi-annually with the respective county treasurers remitting the vast majority of those taxes to the City in the months of October and April.

Annually, during the budget process, the City evaluates the property tax rate to determine that there will be sufficient revenue to provide the services deemed necessary by the City Council. Fees and charges for services are also evaluated annually to ensure they keep pace with the cost of providing those specific services. The City strives to maintain or increase its diversified revenue sources to provide for greater financial stability.

The preparation of the City's annual operating budget and the five year capital improvements program are governed by the council's budget policy statement, Vision 2022 and Goals 2012. As a result of these policies, the annual operating budget has been prepared on a two year basis.

The long term improvement of the City's infrastructure is outlined in the five-year capital improvement program (CIP). The approved FY 2008-12 capital improvements program anticipates the expenditure of \$212,675,400. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$58,699,500 for FY 2009. The capital budget includes revenues from a number of funding sources. General obligation and revenue bond proceeds finance many public works and utility projects. Tax increment financing supports a number of economic development capital projects in the areas targeted for significant commercial activity. Grants from the area, state and federal sources are also part of the plan to finance capital projects. And, capital project fund cash balances provide revenue to smaller projects and planning activities.

Major Initiatives. The City is currently involved in planning for development in numerous areas of the community. Of these areas throughout the City, two significant areas of development are currently underway. One development, entitled Prairie Trail, is approximately 1,100 acres that was formerly owned by Iowa State University as a research farm and is encircled by the City entirely. This land is now owned by a local developer and is being planned for both commercial and residential development. The second area, entitled Corporate Woods, was recently annexed into the City and surrounds a newly constructed interchange with Interstate 35. Utilities and arterial roadways have been extended into these areas and development is commencing. Both of these areas offer wide stretches of land, arterial or highway access and full utilities, which are expected to be areas of development for many years to come.

Several large annexations in the Northwest and Northeast parts of the City have been completed. Planning continues for additional arterial street extensions and improvements, sewer interceptor extensions, water main extensions, and park construction. Cooperation with private enterprises is occurring to help develop the infrastructure in order to keep pace with the private development. The City is also working with the Des Moines Water Works and the Wastewater Reclamation Authority to utilize intergovernmental cooperation in order to ensure adequate water and sewer services in the future. Engineering studies are also being conducted for the addition of another interchange with Interstate 35 and the renovation and expansion of the First Street interchange.

Cash Management Policies and Practices. Cash temporarily idle during the year is primarily invested in certificates of deposit with local financial institutions, invested in federal government securities, highly rated corporate debt through investment brokerages, open-end mutual funds or money market funds. Bids are informally solicited from those institutions and the funds invested at the best rate obtainable at the desired maturity. Interest rates on investments ranged from

2.457% to 4.990% during the year. Total interest and investment earnings during the year amounted to \$2,968,041 on an accrual basis.

Risk Management. The City purchases commercial insurance to cover various risks related to torts, theft, destruction of assets, injuries to employees and other potential losses. Insurance coverages in effect for the City of Ankeny as of June 30, 2008, are listed in the Insurance Schedule of the Statistical Section of the report on pages 116-117. The City assumes the liability for any deductibles and claims in excess of coverage limitations or for potential liabilities that are not covered by the commercial insurance.

The City also maintains a Health Insurance fund to account for the health insurance benefits provided by the City to its employees including a flexible spending plan. All payments of premiums from the City, employees, and retirees are credited to this fund. From this fund, the City pays all actual medical claims that have been paid by an administrative agency. The City also pays a monthly management fee per employee for this service. In addition, the City maintains re-insurance from a commercial insurance company to mitigate the City's exposure in the event of catastrophic losses. The unrestricted net assets of the Health Insurance Fund as of June 30, 2008, are \$2,371,179.

Pension Benefits. All employees of the City of Ankeny are required by state law to participate in either the Iowa Public Employees Retirement System (IPERS) established by Chapter 97B of the Iowa State Code or the Municipal Fire and Police Retirement System of Iowa (MFPRSI) as established by Chapter 411 of the Iowa State Code.

Both IPERS and MFPRSI systems are administered by other agencies. Both systems are funded by contributions from both employees and employers on an actuarial basis and contributions are sufficient to fully fund benefits being created. The City's responsibility is limited to the payment of contributions. For the IPERS system, employer contributions are at a rate of 6.05% except for covered fire fighters for which the rate is 8.47%. Employees contribute 3.90% except for covered fire fighters who contribute 5.64%. For MFPRSI, employer contributions are at a rate of 25.48% and employee contributions are at a rate of 9.35%.

Additional information on the City of Ankeny's pension arrangements can be found in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Ankeny for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the sixth consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Achievement, the City was required to publish an easily

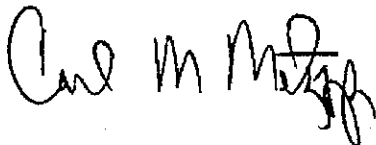
readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2008. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report could not have been possible without the dedication and hard work of the members of the Office of Finance and Budget. We would like to express our appreciation to all members of this department for their assistance and contribution for this endeavor. Also appreciated is the continued interest and support of the Mayor and members of the City Council in planning and conducting the financial operations of the City in a prudent and responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carl Metzger". The signature is fluid and cursive, with the first name "Carl" being more prominent.

Carl Metzger
City Manager

A handwritten signature in black ink, appearing to read "Jennifer Sease". The signature is cursive and somewhat stylized, with the first name "Jennifer" being more prominent.

Jennifer Sease
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ankeny
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

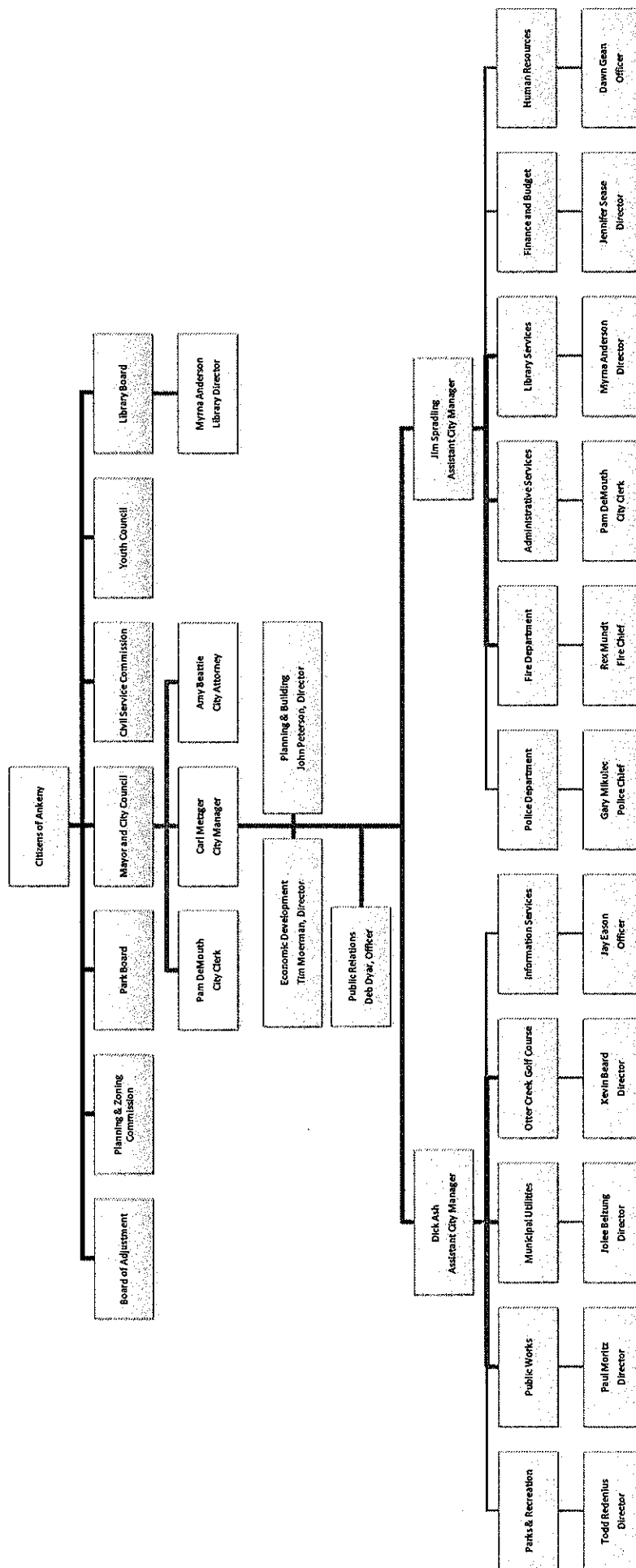


President

Executive Director

CITY OF ANKENY, IOWA

FY 2008 FUNCTIONAL/MANAGEMENT ORGANIZATION CHART



CITY OF ANKENY, IOWA

List of Principal Officials June 30, 2008

ELECTED OFFICIALS

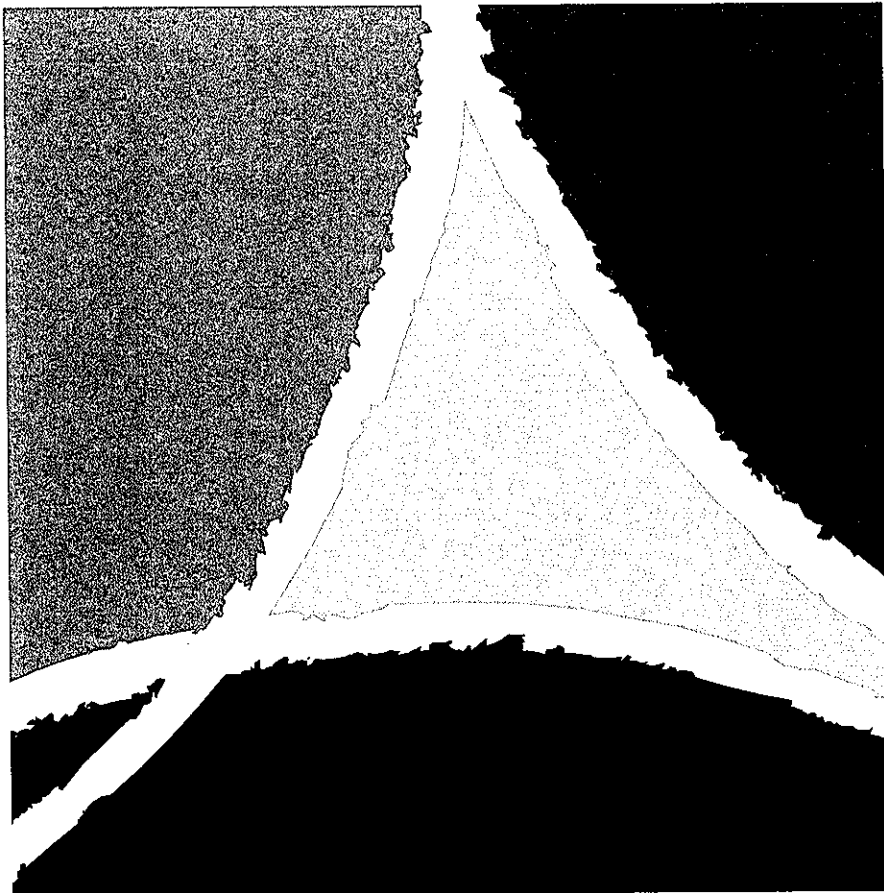
Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

Steve Van Oort
Craig Block
Dave Kissinger
Gary Lorenz
Tom Strait
Gary Welch

APPOINTED OFFICIALS

City Manager
Assistant City Manager
Assistant City Manager
City Clerk
Planning and Building Director
Fire Chief
Library Director
Parks and Recreation Director
Police Chief
Municipal Utilities Director
Public Works Director
Finance Director
Economic Development Director

Carl Metzger
Dick Ash
James Spradling
Pam DeMouth
John Peterson
Rex Mundt
Myrna Anderson
Todd Redenius
Gary Mikulec
Jolee Belzung
Paul Moritz
Jennifer Sease
Tim Moerman



Financial Section

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Ankeny, Iowa
Ankeny, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ankeny, Iowa as of and for the year ended June 30, 2008 which collectively comprise City of Ankeny, Iowa's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Ankeny, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Ankeny, Iowa as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2009 on our consideration of City of Ankeny, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 14 through 26 and 68 through 72 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ankeny, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with accounting principles generally accepted in the United States of America. The combining and nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Cedar Rapids, Iowa
April 29, 2009

Management's Discussion and Analysis

Our discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2008, is intended to give the readers an overview of and additional insight into the financial activities of the City over the past year. This will be done most effectively by reading this discussion in conjunction with the letter of transmittal and the financial statements.

Financial highlights

- The assets of the City exceeded its liabilities at the close of the year by \$165,124,704 (net assets). Of this amount, \$17,672,755 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$7,910,270 and \$5,136,058 during the fiscal years ended June 30, 2008 and 2007, respectively.
- The general fund's unreserved ending fund balance was \$4,715,926 and \$4,596,769 or 29.6% and 31.6% of total general fund expenditures in fiscal years 2008 and 2007, respectively.
- The City's total debt increased by \$21,332,000 or 19.9% during the fiscal year ended June 30, 2008. This increase is primarily due to the City paying down existing bonds and issuing \$40,110,000 of general obligation debt during the current year.

Overview of the financial statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to be corporate-like in that the governmental and business-type activities are consolidated into statements intended to present the operations of the City as a whole.

The *Statement of Net Assets* presents the City's financial position, in its entirety, as of June 30 excluding fiduciary funds that are not expendable for City programs. All of the City's assets and liabilities are presented with the difference between the two reported as net assets. In order to consolidate and present the City's activities as a whole, it is necessary to convert the

governmental fund statements from a measurement focus of financial resources to a measurement focus of economic resources. Essentially, this adds long-term assets and liabilities to the fund financial statements.

The *Statement of Activities* presents information showing how the City's net assets changed during the fiscal year. It focuses on the gross and net cost of various programs. This is intended to simplify the user's analysis of the cost of providing various governmental services and their funding sources.

The governmental activities reflect the City's basic services such as police, fire, parks, library, engineering, public works and general administration. Primary funding sources include road use taxes, property taxes, service charges and intergovernmental grants and funds. The business-type activities are intended to be self-funding through user fees and charges.

The government-wide financial statements include not only the City of Ankeny itself, but also a legally separate government agency known as the Ankeny Arts Council. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are on pages 27-28 of this report.

Fund financial statements

Traditional users of the City's financial statements will find the fund financial statements more familiar. The most noticeable change is the shift away from fund types and towards major funds. The City's funds are divided into two major categories: governmental funds and proprietary funds. Information is also presented for the City's agency funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities (the government-wide level). However, unlike the government-wide level, governmental funds focus on short-term inflows and outflows of financial resources rather than flow of economic (all) resources. This information is useful in evaluating short-term financing requirements. A more detailed list of differences between the governmental funds and the governmental activities can be found in the reconciliations provided in the fund financial statements.

The City has five major funds: general fund, debt service fund, road use tax fund, tax increment financing fund and capital projects fund. The City also has fifteen non-major governmental funds. These funds are combined and reported in a single column in the governmental fund financial statements, but are reported individually in the supplementary information of this report.

Proprietary funds. The City maintains two different types of proprietary funds. They are the enterprise funds and internal service funds. These funds are called proprietary, because the funds are run in a business-like manner. Enterprise funds primarily serve external customers and are self-funding through user charges. The enterprise funds present the same functions and use the same measurement focus as the business-type activities on the government-wide level, but in more detail.

The City maintains five enterprise funds: solid waste fund, water fund, sewer fund, storm water fund and Otter Creek Golf Course fund. They are all presented as major funds in the fund statements.

The internal service funds primarily serve City functions or other governmental entities. They are considered governmental in nature and are not operated to make a profit. For these reasons, the internal service funds are consolidated into the governmental activities at the government-wide level.

The City maintains five internal service funds: central garage fund, risk management fund, equipment reserve fund, economic development revolving fund and health insurance fund. They are combined into a single, aggregated column in the proprietary fund financial statements.

Agency funds. Agency funds are used to account for resources that are being held by the City in a fiduciary capacity for the benefit of parties outside the City. Agency funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting for these funds is much like that used for proprietary funds.

The basic fund financial statements can be found on pages 29-36 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 37-67 of this report.

Required supplementary information

The City of Ankeny adopts an annual appropriated budget, prepared on a cash basis. A budgetary comparison statement has been provided on page 68 to demonstrate compliance with the legal budget. A reconciliation between the revenues and expenditures, prepared on the modified accrual basis, versus the budget, prepared on the cash basis, is also included.

Other information

In addition to the financial statements and the accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information section. Combining fund statements can be found on pages 74 through 84 of this report. Statistical information related to the City's financial position can be found on pages 90 through 117.

Government-wide financial analysis

Over time, net assets may serve as a useful indicator of a government's financial position. In the case of City of Ankeny, assets exceeded liabilities by \$165,124,704 at the close of the most recent fiscal year.

The largest portion of the City's net assets (83%) is invested in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets (000's)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current assets	\$ 81,471	\$ 79,550	\$ 16,207	\$ 17,861	\$ 97,678	\$ 97,411
Noncurrent assets:						
Restricted cash and cash equivalents	88	80	1,597	1,616	1,685	1,696
Capital assets	136,393	112,163	89,039	82,992	225,432	195,155
Total assets	217,952	191,793	106,843	102,469	324,795	294,262
Current liabilities	67,762	45,720	2,736	2,336	70,498	48,056
Noncurrent liabilities	73,470	71,972	15,702	17,019	89,172	88,991
Total liabilities	141,232	117,692	18,438	19,355	159,670	137,047
Invested in capital assets, net of related debt	59,458	65,060	77,349	71,526	136,807	136,586
Restricted	9,091	2,156	1,554	1,579	10,645	3,735
Unrestricted	8,171	6,885	9,502	10,008	17,673	16,893
Total net assets	\$ 76,720	\$ 74,101	\$ 88,405	\$ 83,113	\$ 165,125	\$ 157,214

A portion of the City's net assets (6.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of

unrestricted net assets (\$17,672,755) may be used to meet the government's ongoing obligations.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The net assets of the City increased by \$7,910,270 during the current fiscal year. Most of this increase is due to capital grants and contributions totaling \$13,122,776.

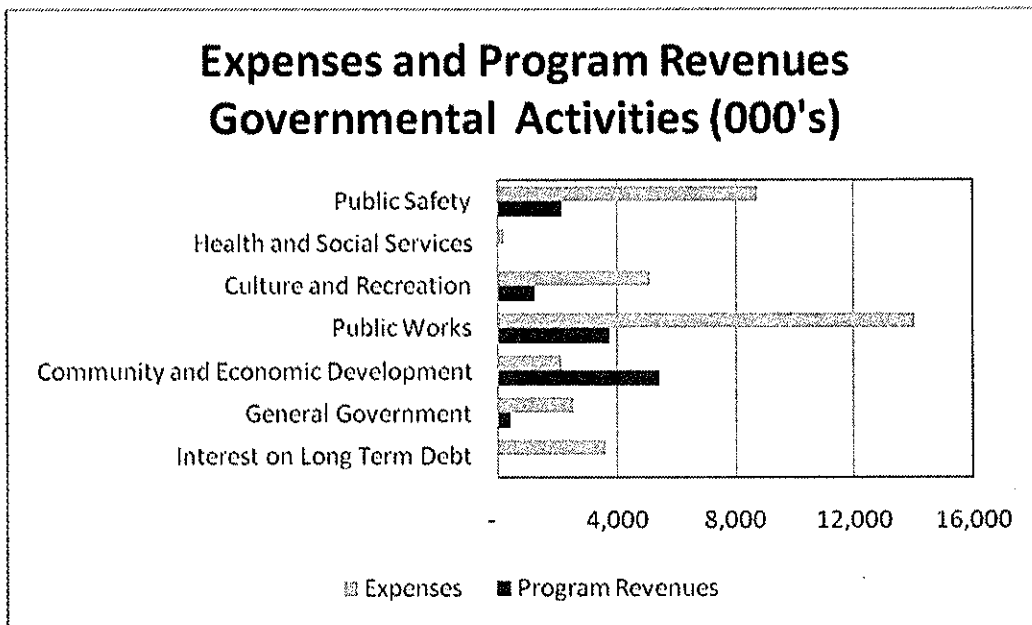
The following tables summarize the City's operating activities for the fiscal year 2008.

Changes in Net Assets (000's)

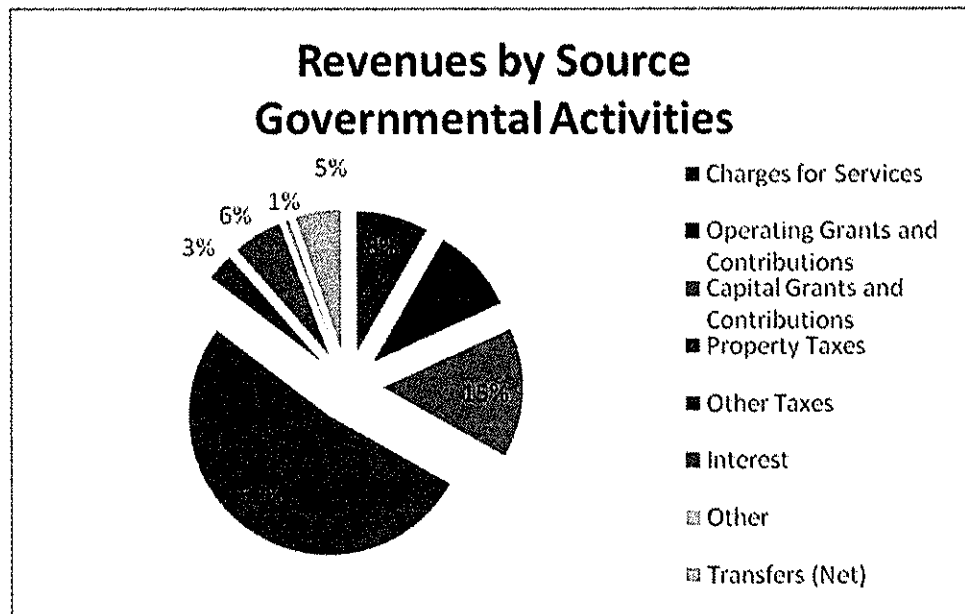
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 3,273	\$ 4,733	\$ 12,341	\$ 12,393	\$ 15,614	\$ 17,126
Operating grants and contributions	\$ 3,844	4,154	-	28	3,844	4,182
Capital grants and contributions	\$ 5,865	4,071	7,258	1,578	13,123	5,649
General revenues:						
Property taxes	20,434	18,754	-	-	20,434	18,754
Nonproperty taxes	1,244	1,232	-	-	1,244	1,232
Interest	2,226	2,217	190	196	2,416	2,413
Other	188	183	52	85	240	268
Total revenues	37,074	35,344	19,841	14,280	56,915	49,624
Expenses:						
Public safety	8,766	7,741	-	-	8,766	7,741
Health and social services	236	115	-	-	236	115
Culture and recreation	5,144	4,760	-	-	5,144	4,760
Public works	14,066	11,686	-	-	14,066	11,686
Community & economic development	2,152	2,740	-	-	2,152	2,740
General government	2,531	2,356	-	-	2,531	2,356
Interest of long-term debt	3,634	2,652	-	-	3,634	2,652
Solid waste	-	-	479	446	479	446
Water	-	-	5,728	5,858	5,728	5,858
Sewer	-	-	5,322	5,001	5,322	5,001
Storm Water	-	-	100	72	100	72
Otter Creek golf course	-	-	846	1,061	846	1,061
Total expenses	36,529	32,050	12,475	12,438	49,004	44,488
Excess (deficiency) before transfers	545	3,294	7,366	1,842	7,911	5,136
Transfers	2,074	210	(2,074)	(210)	-	-
Changes in net assets	2,619	3,504	5,292	1,632	7,911	5,136
Net assets, beginning, as restated	74,101	70,597	83,113	81,481	157,214	152,078
Net assets, ending	\$ 76,720	\$ 74,101	\$ 88,405	\$ 83,113	\$ 165,125	\$ 157,214

Governmental activities. Governmental activities increased the City's net assets by \$2,619,012, which accounted for 33.1% of the total increase in net

assets. Most of this increase in net assets is due to capital grants and contributions of \$5,865,048. The change in net assets due to program activities is represented as follows:

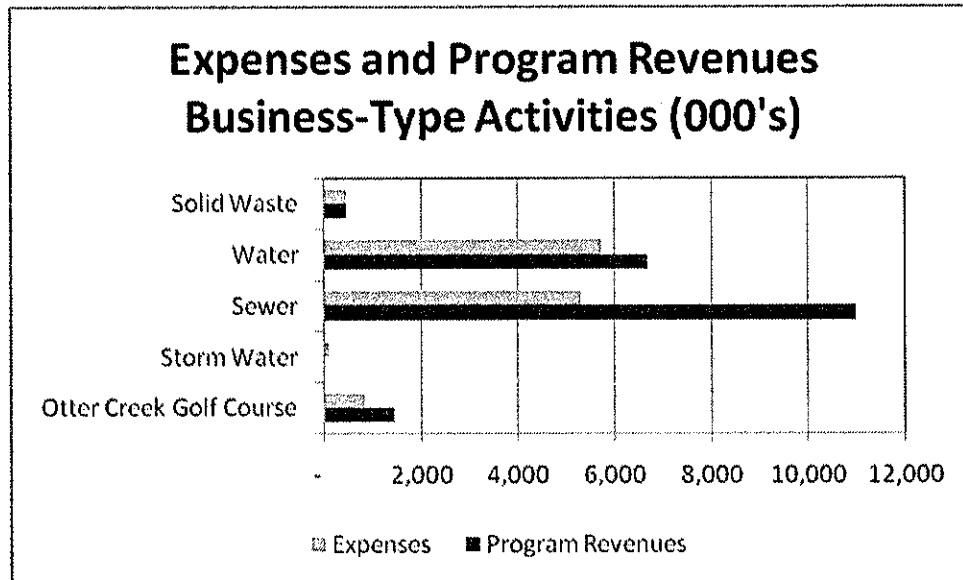


Expenses are higher than revenues for all of these programs due to the fact that many of the governmental activities are supported by general governmental revenues including property and non-property taxes and interest income. Revenues for the governmental activities are derived as follows:

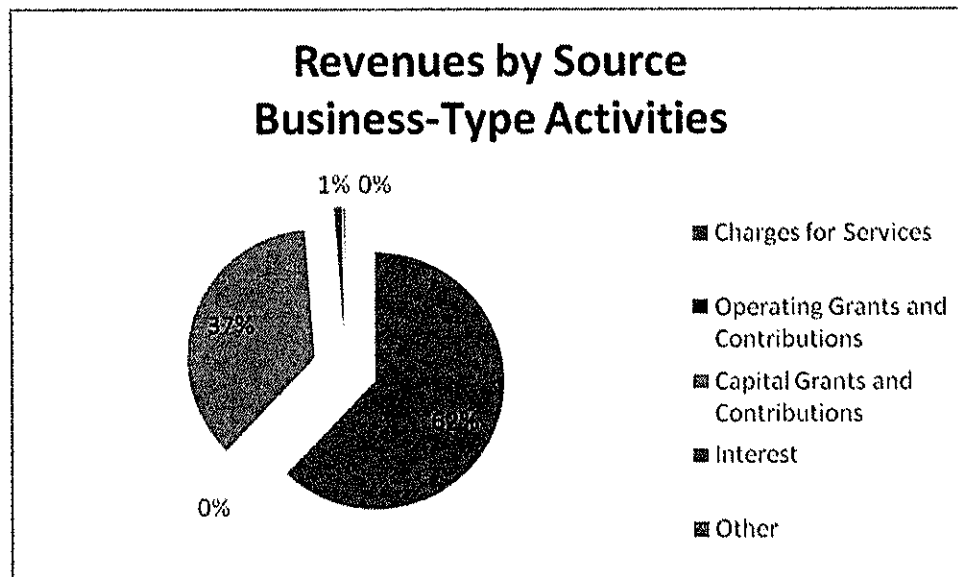


Business-type activities. Business-type activities increased the City's net assets by \$5,291,258, which accounted for 66.9% of the total increase in net

assets. Of this increase, \$7,257,728 is attributed to capital grants and contributions. The change in net assets due to program activities is represented as follows:



The program revenues exceeded the expenses or were near even for each of the business-type activities. This graph reflects the fact that the business-type activities are operated in a business-like manner and are intended to be self-supporting through service charges. This is also reflected in the chart below.



Financial analysis of government's funds

As noted earlier, the City uses fund accounting to demonstrate and ensure compliance with finance-related legal and managerial requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2008, the City's governmental funds reported combined ending fund balances of \$45,045,402, a decrease of \$176,705 from the prior year. Of this total amount, \$42,011,505 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$3,033,897). A small amount of the unreserved fund balance is designated for deferred compensation related to contract provisions with the City Manager (\$74,575).

As of the end of fiscal year 2007, the City's governmental funds reported combined ending fund balances of \$45,222,107, an increase of \$14,059,736 from the prior year. Of this total amount, \$44,268,263 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. Most of the remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$953,844). A small amount of the unreserved fund balance is designated for deferred compensation related to contract provisions with the City Manager (\$60,892).

The general fund is the chief operating fund of the City. At the end of the fiscal year, 100% of the general fund's fund balance (\$4,715,926) was unreserved. The fund balance of the general fund increased from last year by \$119,157 or 2.59%. The change in fund balance was not significant.

The debt service fund has a total fund balance of \$3,033,897, all of which is reserved for the payment of debt service. The increase in fund balance from the prior year was \$2,080,053 or 218.07%. The increase is due to issuance of permanent financing for the public safety referendum projects.

The road use tax fund, a special revenue fund, has a total fund balance deficit of \$654,083, all of which is unreserved. The fund had a decrease in fund balance of \$551,937. The decrease was primarily related to outlays for equipment, increased snow and ice control expenditures, as well as, stagnating road use tax revenues.

The tax increment financing fund (TIF), a special revenue fund, has a total fund balance of \$23,731, all of which is unreserved. The fund had a decrease in fund

balance of \$404,108 after transfers out of \$3,666,991 to the debt service fund for debt retirement. The fund is a flow-through for TIF funds received during the year. At year end the fund balance should be zero unless there are revenues received after year end that relate to the current fiscal year, and therefore are accrued under the modified accrual basis of accounting.

The capital projects fund has a fund balance of \$30,152,725, all of which is unreserved. The fund had a decrease in fund balance of \$5,914,055 or 16.40%. This decrease was a direct result of spending bond proceeds that were on hand at the beginning of the fiscal year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail and without the internal activity removed. Key elements of the proprietary funds are as follows:

The solid waste fund had net assets of \$12,392 at the end of the year, which is a decrease of \$10,430. The decrease is related to the utility billing conversion from Des Moines Water Works.

The water fund had unrestricted net assets of \$2,097,951 at the end of the year. Total net assets decreased by \$633,059 or 2.26%. The decrease is primarily due to reduced water usage from spring flooding. In addition, sewer rates increased by 4% during fiscal year 2008.

The sewer fund had unrestricted net assets of \$8,143,628 at the end of the year. Total net assets increased by \$5,388,528 or 10.09%. This increase was primarily a result of an increase in capital assets. In addition, water rates increased by 15% during fiscal year 2008.

The storm water fund had unrestricted net assets of (\$337,165) at the end of the year. Total net assets decreased by \$97,502 because the storm water utility has not yet been established. It is anticipated that the storm water utility and associated user fee will be approved during fiscal year 2009.

The Otter Creek golf course fund had unrestricted net assets of (\$521,375) at the end of the year. Total net assets increased by \$593,568 due to an investment in capital assets related to the re-development of the golf course and replacement of the club house, which is scheduled for completion in fiscal year 2009.

Budgetary highlights

As previously mentioned, the City's budget is prepared on a cash basis, which is an accounting basis not consistent with accounting principles generally accepted

in the United States of America (GAAP). The budgetary comparison schedule and its reconciliation to GAAP can be found in the required supplementary information on pages 68-72.

Total revenues were under budget by \$8,680,819. The largest contributors to this shortage were intergovernmental revenues, which were under budget by \$6,504,759 primarily due to the timing of grant receipts and miscellaneous revenues, which were under budget by \$2,942,261 due to the timing of private contributions to the Civic Fund.

Total expenditures were below budget by \$30,317,300. The primary areas which were below budget were the capital projects funds by \$28,160,350 due to the timing of capital expenditures, and the business-type funds by \$1,006,700 primarily due to the timing of capital outlays.

Total fund balances finished over budget estimates by \$6,467,073. The fund balances over budget primarily represent bond funds being held for capital projects at June 30.

During fiscal year 2008, the City amended its budget to reflect changes and events that occurred subsequent to the original filing with the state. Revenues were reduced by \$11,767,590 to reflect an expected decrease in intergovernmental grant activity and miscellaneous revenues, primarily private contributions. The decrease in intergovernmental was due to the timing of capital project activity and the decrease in private contributions was due to the anticipated Civic Trust contributions related to the Prairie Trail development.

Expenditures are re-estimated during each fiscal year and re-certified through the amendment process. Total expenditures were revised downward by \$6,378,902 primarily due to the timing of capital projects. Transfers in and transfers out were adjusted downward by \$7,337,227 to reflect a decrease in the transfer of funds for capital improvements. Bond proceeds were amended upward by \$3,186,444 due to the addition of Prairie Trail improvement projects and the successful passing of the police and fire station bond referendum.

Capital assets and debt administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities was \$287,677,495 for FY08 and \$251,732,484 in FY07. This amount represents a net increase, including additions and deletions, of \$35,945,011 and \$48,672,067, respectively. The value of these capital assets, net of depreciation at June 30, 2008 and 2007, is depicted below. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, furniture and fixtures, construction in progress and

infrastructure. All required infrastructure has been recorded for the governmental and business-type activities.

Capital Assets (000's)

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 5,935	\$ 5,337	\$ 1,216	\$ 1,101	\$ 7,151	\$ 6,438
Construction in progress	29,318	10,198	7,523	4,376	36,841	14,574
Other improvements	7,389	7,525	285	316	7,674	7,841
Infrastructure	78,649	73,937	78,614	75,855	157,263	149,792
Buildings	10,827	11,215	735	776	11,562	11,991
Machinery and equipment	4,272	3,940	666	568	4,938	4,508
Furniture and fixtures	3	11	-	-	3	11
Total capital assets	<u>\$ 136,393</u>	<u>\$ 112,163</u>	<u>\$ 89,039</u>	<u>\$ 82,992</u>	<u>\$ 225,432</u>	<u>\$ 195,155</u>

Major capital asset events during the current fiscal year included the following:

- Spent over \$6,700,000 towards completion of the police headquarters.
- Spent over \$3,300,000 towards completion of the fire station headquarters expansion.
- Spent over \$600,000 towards completion of fire station #2.
- Spent over \$3,800,000 towards completion of the West First Street extension, plus over \$850,000 constructing a bridge for this project.
- Spent over \$3,700,000 towards improvements on various Prairie Trail projects.
- Spent nearly \$2,400,000 towards completion of the Four Mile Creek sanitary sewer.
- Spent nearly \$1,000,000 towards completion of the clubhouse at Otter Creek Golf Course.

Additional information can be found on the City's capital assets in the notes to the financial statements on pages 50-51 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$128,729,000. Of this amount, \$117,415,000 comprises general obligation bonded debt backed by the full faith and credit of the City. The remainder, \$11,314,000, represents revenue bonds and capital loan notes secured solely by specified revenue sources (i.e., water and sewer revenue).

Outstanding Debt (000's)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 111,637	\$ 89,188	\$ 5,778	\$ 5,822	\$ 117,415	\$ 95,010
Capital loan notes	-	-	3,954	7,640	3,954	7,640
Revenue bonds	-	-	7,360	4,747	7,360	4,747
Total outstanding debt	<u>\$ 111,637</u>	<u>\$ 89,188</u>	<u>\$ 17,092</u>	<u>\$ 18,209</u>	<u>\$ 128,729</u>	<u>\$ 107,397</u>

The City's total debt increased by \$21,332,000 (19.86%) during the current fiscal year. The City's total debt increased because the size of the general obligation bond issues during fiscal year 2008 exceeded the amount of debt that the City was retiring. The additional debt can be attributed to the development of the Prairie Trail area and to the construction of the police and fire stations.

The City maintains an "Aa3" rating for general obligation bonds, an "A2" rating for water revenue bonds, and "MIG1" rating for bond anticipation notes. These ratings were assigned by Moody's Investors Service.

Iowa statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuations. The current debt limit for the City is \$145,167,236. The City's current applicable debt, \$117,415,000, is 80.88% of the statutory limit.

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 53-58 of this report.

Economic factors and next year's budget

- In 2008, the City issued 372 single-family residential permits, reflecting a continuing slowdown in the housing market that, while significant, appears to be less severe than many other markets both locally and nationally. A total of 581 single-family permits were issued in 2007, compared to 845 single-family permits in 2006 and the record-setting years of 2005, 2004, and 2003, when 1,311, 1,085 and 1,042 single-family permits were issued respectively.
- Commercial construction in 2008 declined in terms of the number of permits with 21 permits issued with a taxable valuation of \$42,500,000, which is higher than any other year in the City's history. Actual commercial permit results for 2007 and 2006 were 26 and 30 issued with values of \$38,900,000 and \$29,700,000 respectively.

- Residential construction since 2000 has increased the City's population to 36,161 residents, based on figures from the City's 2005 special census. The City's 2000 population was 27,117 residents.
- The City's assessed property valuation has increased at an average of 10.69% per year over the last five years, including an increase of 9.02% for FY 2009.

The City continues to have stable growth and economic expansion. The economic growth has allowed the City to maintain a stable property tax rate. For fiscal year 2009, the City budgeted a \$.05 decrease in the property tax rate despite the addition of 11 new staff positions. The budget places priority on public safety, including police and fire. Of the total 11 full time equivalent (FTE) positions, 9 of the new positions are in public safety, including 3 police officers and 6 firefighter/paramedics.

The budget allows the City to staff Fire Station #2 included in the 2006 voter approved public safety referendum and costs associated with managing, operating and maintaining the completed \$17.5 million Police Station and \$5 million Fire Station Headquarters.

In addition, the re-development of the Otter Creek Golf Course and replacement of the club house began in the spring of 2007 and are scheduled for reopening in fiscal year 2009. Construction of water and sewer mains and streets also began in the Prairie Trail development area.

Requests for information

This financial report is designed to provide a general overview of the City of Ankeny's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Ankeny, Office of Finance and Budget, 410 West First Street, Ankeny, Iowa 50023. Additional information is also available at the City's web site www.ankenyiowa.gov.

City of Ankeny, Iowa

Statement of Net Assets
June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ankeny Arts Council
Assets				
Current assets:				
Cash and cash equivalents	\$ 53,753,465	\$ 6,183,613	\$ 59,937,098	\$ 30,306
Investments	7,316,054	3,010,187	10,326,241	-
Monies held by primary government	-	-	-	87,232
Receivables:				
Interest	168,996	19,102	188,098	-
Taxes	23,327,089	-	23,327,089	-
Accounts	941,529	1,021,628	1,963,157	-
Special assessments	979,224	-	979,224	-
Intergovernmental	749,992	-	749,992	-
Prepaid expenses	77,296	-	77,296	460
Inventory	60,428	-	60,428	-
Internal balances	(5,908,985)	5,908,985	-	-
Unamortized bond issuance costs	6,092	63,648	69,740	-
Total current assets	81,471,200	16,207,163	97,678,363	117,998
Noncurrent assets:				
Restricted cash and cash equivalents	88,317	1,596,722	1,685,039	-
Capital assets:				
Land	5,935,152	1,215,894	7,151,046	-
Construction-in-progress	29,317,662	7,523,269	36,840,931	-
Depreciable assets, net of accumulated depreciation	101,139,779	80,300,073	181,439,852	15,116
Total capital assets	136,392,593	89,039,236	225,431,829	15,116
Total noncurrent assets	136,480,910	90,635,958	227,116,868	15,116
Total assets	\$ 217,952,110	\$ 106,843,121	\$ 324,795,231	\$ 133,114
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 4,899,616	\$ 783,666	\$ 5,683,282	\$ 888
Accrued wages	302,134	48,999	351,133	475
Claims payable	143,017	-	143,017	-
Customers deposits	88,317	42,935	131,252	-
Unearned revenue	23,349,153	-	23,349,153	-
Bond and capital loan note interest payable	374,217	62,265	436,482	-
Bonds and capital loan notes payable, net of unamortized discount	38,240,421	1,636,579	39,877,000	-
Sewer development agreements payable	-	90,046	90,046	-
Compensated absences payable	365,560	71,305	436,865	-
Total current liabilities	67,762,435	2,735,795	70,498,230	1,363
Noncurrent liabilities:				
Bonds and capital loan notes payable, net of unamortized discount	73,396,673	15,455,326	88,851,999	-
Sewer development agreements	-	180,092	180,092	-
Compensated absences payable	73,182	67,024	140,206	-
Total noncurrent liabilities	73,469,855	15,702,442	89,172,297	-
Total liabilities	141,232,290	18,438,237	159,670,527	1,363
Net Assets:				
Investment in capital assets, net of related debt	59,457,512	77,349,435	136,806,947	-
Restricted for:				
Debt service	3,033,897	1,553,787	4,587,684	-
Community and economic development	5,411,175	-	5,411,175	-
Culture and recreation	466,300	-	466,300	-
Public safety	179,843	-	179,843	-
Unrestricted	8,171,093	9,501,662	17,672,755	131,751
Total net assets	76,719,820	88,404,884	165,124,704	131,751
Total liabilities and net assets	\$ 217,952,110	\$ 106,843,121	\$ 324,795,231	\$ 133,114

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa
Statement of Activities
For the Year Ended June 30, 2008

Programs/Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Ankeny Arts Council
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary government:								
Governmental activities:								
Public safety	\$ 8,765,732	\$ 2,006,097	\$ 100,163	\$ 34,976	\$ (6,624,496)	\$ -	\$ (6,624,496)	\$ -
Health and social services	236,134	21,331	-	-	(214,803)	-	(214,803)	-
Culture and recreation	5,144,408	897,808	352,992	-	(3,893,608)	-	(3,893,608)	-
Public works	14,066,397	85,686	3,231,614	426,344	(10,322,753)	-	(10,322,753)	-
Community and economic development	2,152,310	9,795	1,271	5,403,728	3,262,484	-	3,262,484	-
General government	2,530,968	252,383	158,301	-	(2,120,284)	-	(2,120,284)	-
Interest on long-term debt	3,633,724	-	-	-	(3,633,724)	-	(3,633,724)	-
Total governmental activities	36,529,673	3,273,100	3,844,341	5,865,048	(23,547,184)	-	(23,547,184)	-
Business-type activities:								
Solid waste	479,368	466,915	-	-	-	(12,453)	(12,453)	-
Water	5,728,375	5,494,332	-	1,194,857	-	960,814	960,814	-
Sewer	5,321,560	5,926,481	-	5,064,201	-	5,669,122	5,669,122	-
Storm Water	100,140	6,269	-	-	-	(93,871)	(93,871)	-
Otter Creek golf course	845,387	446,902	-	998,670	-	600,185	600,185	-
Total business-type activities	12,474,830	12,340,899	-	7,257,728	-	7,123,797	7,123,797	-
Total primary government	\$ 49,004,503	\$ 15,613,999	\$ 3,844,341	\$ 13,122,776	\$ (23,547,184)	\$ 7,123,797	\$ (16,423,387)	\$ -
Component unit:								
Arts council	\$ 112,580	\$ 75,918	\$ 2,633	\$ -	\$ -	\$ -	\$ -	\$ (34,029)
General revenues:								
Taxes:								
Property taxes					20,434,441	-	20,434,441	-
Other taxes					1,244,208	-	1,244,208	-
Interest					2,225,590	189,703	2,415,293	4,469
Other					187,500	52,215	239,715	-
Transfers					2,074,457	(2,074,457)	-	-
Total general revenues and transfers					26,166,196	(1,832,539)	24,333,657	4,469
Changes in net assets					2,619,012	5,291,258	7,910,270	(29,560)
Net asset, beginning					74,100,808	83,113,626	157,214,434	161,311
Net assets, ending					\$ 76,719,820	\$ 88,404,884	\$ 165,124,704	\$ 131,751

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,123,111	\$ 3,003,998	\$ 105,025	\$ 284,212	\$ 34,818,241	\$ 7,647,728	\$ 49,982,315
Investments	1,500,000	-	-	-	5,516,054	-	7,016,054
Receivables:							
Interest	134,636	-	-	-	27,913	334	162,883
Taxes	12,462,106	5,079,731	-	5,107,084	-	678,168	23,327,089
Accounts	935,963	-	-	-	-	-	935,963
Special assessments	-	-	-	-	-	979,224	979,224
Intergovernmental	308,376	302	248,037	-	185,363	7,914	749,992
Due from other funds	9,099	-	-	-	-	-	9,099
Restricted assets, cash and cash equivalents	88,317	-	-	-	-	-	88,317
Total assets	\$19,561,608	\$ 8,084,031	\$ 353,062	\$ 5,391,296	\$ 40,547,571	\$ 9,313,368	\$ 83,250,936
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 328,436	\$ -	\$ 248,833	\$ 15,444	\$ 4,228,785	\$ 11,336	\$ 4,832,834
Accrued wages	252,034	-	25,236	-	1,920	18,535	297,725
Due to other funds	307,589	-	253,911	-	5,978,778	6,734	6,547,012
Advances from other funds	600,384	-	479,165	-	-	-	1,079,549
Customer deposits	88,317	-	-	-	-	-	88,317
Deferred revenue	13,268,922	5,050,134	-	5,352,121	185,363	1,503,557	25,360,097
Total liabilities	14,845,682	5,050,134	1,007,145	5,367,565	10,394,846	1,540,162	38,205,534
Fund balances (deficits):							
Reserved for debt service	-	3,033,897	-	-	-	-	3,033,897
Unreserved, designated for:							
Deferred compensation	74,575	-	-	-	-	-	74,575
Unreserved, reported in:							
General fund	4,641,351	-	-	-	-	-	4,641,351
Special revenue funds	-	-	(654,083)	23,731	-	6,662,581	6,032,229
Capital projects funds	-	-	-	-	30,152,725	1,110,625	31,263,350
Total fund balances	4,715,926	3,033,897	(654,083)	23,731	30,152,725	7,773,206	45,045,402
Total liabilities and fund balances	\$19,561,608	\$ 8,084,031	\$ 353,062	\$ 5,391,296	\$ 40,547,571	\$ 9,313,368	\$ 83,250,936

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Reconciliation of the Balance Sheet to the
Statement of Net Assets
June 30, 2008

Fund balances--total governmental funds \$ 45,045,402
Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental fixed assets:

Land	\$ 5,935,152	
Construction-in-progress	29,317,662	
Depreciable capital assets	135,841,792	
Accumulated depreciation	(34,702,013)	136,392,593

The assets and liabilities of internal service funds are included in the governmental activities in the statement of net assets. Internal service fund net assets:

Current assets	\$ 4,828,977	
Internal balances	1,208,669	
Current liabilities	(217,220)	5,820,426

Internal service funds allocated to business-type activities (106,231)

Deferred revenue is reported in governmental funds for revenues that have been earned but are not yet available to liquidate current liabilities. All earned revenues are reported as income at government-wide level. The following deferred revenues for unavailable items were reported in the governmental funds:

Various funds - property tax receivable	\$ 123,150	
Special assessments fund - special assessment receivable	829,224	
General fund - accounts receivable	741,554	
Capital projects fund - accounts receivable	185,363	1,879,291

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	\$ (111,637,094)	
Unamortized bond issuance costs	194,088	
Unamortized premium on general obligation bonds	(77,954)	
Unamortized discount on general obligation bonds	22,258	
Bond interest payable	(374,217)	
Compensated absences	(438,742)	(112,311,661)

Net assets of governmental activities \$ 76,719,820

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Debt Service	Road Use Tax	Tax Increment Financing	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 10,341,729	\$ 4,859,137	\$ -	\$ 4,296,123	\$ -	\$ 617,130	\$ 20,114,119
Other taxes and assessments	1,145,643	86,599	-	-	131,305	256,681	1,620,228
Licenses and permits	873,022	-	-	-	-	-	873,022
Intergovernmental	520,953	-	3,098,451	-	478,602	34,072	4,132,078
Charges for services	1,678,612	-	-	-	-	5,707	1,684,319
Use of money and property	1,535,544	-	-	-	818,846	47,626	2,402,016
Miscellaneous	397,096	-	-	-	100,301	5,766,819	6,264,216
Total revenues	16,492,599	4,945,736	3,098,451	4,296,123	1,529,054	6,728,035	37,089,998
Expenditures:							
Current operating:							
Public safety	8,038,559	-	-	-	-	723,890	8,762,449
Health and social services	241,908	-	-	-	-	-	241,908
Culture and recreation	3,898,426	-	-	-	-	781,792	4,680,218
Public works	688,043	-	3,650,388	-	-	131,305	4,469,736
Community and economic development	710,943	-	-	1,033,240	-	435,053	2,179,236
General government	2,357,372	-	-	-	-	-	2,357,372
Debt service:							
Principal	-	5,715,988	-	-	11,625,000	-	17,340,988
Interest and other charges	-	2,404,875	-	-	1,819,150	-	4,224,025
Capital projects	-	-	-	-	34,159,265	-	34,159,265
Total expenditures	15,935,251	8,120,863	3,650,388	1,033,240	47,603,415	2,072,040	78,415,197
Excess (deficiency) of revenues over expenditures	557,348	(3,175,127)	(551,937)	3,262,883	(46,074,361)	4,655,995	(41,325,199)
Other financing sources (uses):							
Issuance of long-term debt	-	-	-	-	40,072,037	-	40,072,037
Transfers in	569,800	5,255,180	-	-	1,385,249	1,007,990	8,218,219
Transfers out	(1,007,991)	-	-	(3,666,991)	(1,298,980)	(1,169,800)	(7,143,762)
Total other financing sources (uses)	(438,191)	5,255,180	-	(3,666,991)	40,158,306	(161,810)	41,146,494
Net change in fund balances	119,157	2,080,053	(551,937)	(404,108)	(5,916,055)	4,494,185	(178,705)
Fund balances (deficits), beginning	4,596,769	953,844	(102,146)	427,839	36,068,780	3,279,021	45,224,107
Fund balances (deficits), ending	\$ 4,715,926	\$ 3,033,897	\$ (654,083)	\$ 23,731	\$30,152,725	\$ 7,773,206	\$ 45,045,402

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances (Deficits)
to the Statement of Activities
For the Year Ended June 30, 2008

Net change in fund balances--total governmental funds		\$	(178,705)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:			
Capital outlay	\$	28,614,399	
Depreciation expense		<u>(3,713,562)</u>	24,900,837
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			33,029
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			
Issuance of long-term debt	\$	(40,072,037)	
Principal repayment		17,340,988	
Bond issuance costs		<u>125,094</u>	(22,605,955)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following expenses did not require current financial resources:			
Compensated absences	\$	(41,445)	
Adjustment to bond interest payable		<u>(77,975)</u>	(119,420)
Governmental funds do not report capital assets and therefore do not report the contribution of capital assets.			175,000
Internal service funds are used by management to charge costs of certain activities, such as vehicle and property maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.			464,379
Change in internal service fund allocation to business-type activities.			<u>(50,153)</u>
Changes in net assets of governmental activities	\$		<u>2,619,012</u>

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course	Totals	
Assets							
Current assets:							
Cash and cash equivalents	\$ 47,092	\$ 1,684,059	\$ 4,386,040	\$ 21,331	\$ 45,091	\$ 6,183,613	\$ 3,771,170
Investments	-	1,510,187	1,500,000	-	-	3,010,187	300,000
Receivables:							
Interest	-	7,139	11,963	-	-	19,102	6,113
Accounts	21,219	477,815	521,924	-	670	1,021,628	5,566
Intergovernmental	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	77,296
Inventory	-	-	-	-	-	-	60,428
Due from other funds	-	4,813,813	1,839,965	-	-	6,653,778	608,404
Unamortized bond issuance costs	-	63,648	-	-	-	63,648	-
Total current assets	68,311	8,556,661	8,259,892	21,331	45,761	16,951,956	4,828,977
Noncurrent assets:							
Restricted cash and cash equivalents	-	766,764	829,958	-	-	1,596,722	-
Advances to other funds	-	-	-	-	-	-	1,208,669
Capital assets:							
Land	-	39,764	190,188	-	985,942	1,215,894	-
Construction-in-progress	-	2,455,963	3,940,613	-	1,126,693	7,523,269	-
Depreciable assets, net of accumulated depreciation	-	26,285,588	53,099,479	149,635	765,371	80,300,073	63,610
Total capital assets	-	28,781,315	57,230,280	149,635	2,878,006	89,039,236	63,610
Total noncurrent assets	-	29,548,079	58,060,238	149,635	2,878,006	90,635,958	1,272,279
Total assets	\$ 68,311	\$ 38,104,740	\$ 66,320,130	\$ 170,966	\$ 2,923,767	\$ 107,587,914	\$ 6,101,256
Liabilities and Net Assets							
Liabilities:							
Current liabilities:							
Accounts payable	\$ 55,919	\$ 408,850	\$ 277,024	\$ 200	\$ 43,673	\$ 783,666	\$ 66,783
Accrued wages	-	17,540	20,312	1,531	9,616	48,999	4,409
Due to other funds	-	-	-	252,793	469,111	721,904	2,365
Claims payable	-	-	-	-	-	-	143,017
Customer deposits	-	42,935	-	-	-	42,935	-
Unearned revenue	-	-	-	-	-	-	-
Bond and capital loan note interest payable	-	33,919	28,346	-	-	62,265	-
Bonds and capital loan notes payable, net of unamortized discount	-	648,251	988,328	-	-	1,636,579	-
Sewer development agreements payable	-	-	90,046	-	-	90,046	-
Compensated absences payable	-	35,609	25,873	1,075	8,748	71,305	646
Total current liabilities	55,919	1,185,104	1,429,929	255,599	531,148	3,457,699	217,220
Noncurrent liabilities:							
Bonds and capital loan notes payable, net of unamortized discount	-	9,543,786	5,911,540	-	-	15,455,326	-
Compensated absences payable	-	26,755	30,504	-	9,765	67,024	5,377
Sewer development agreements	-	-	180,092	-	-	180,092	-
Advances from other funds	-	-	-	102,897	26,223	129,120	-
Total noncurrent liabilities	-	9,570,541	6,122,136	102,897	35,988	15,831,562	5,377
Total liabilities	\$ 55,919	\$ 10,755,645	\$ 7,552,065	\$ 358,496	\$ 567,136	\$ 19,289,261	\$ 222,597
Net Assets:							
Investment in capital assets, net of related debt	\$ -	\$ 24,527,315	\$ 49,794,479	\$ 149,635	\$ 2,878,006	\$ 77,349,435	\$ -
Restricted for:							
Debt service	-	723,829	829,958	-	-	1,553,787	-
Unrestricted	12,392	2,097,951	8,143,628	(337,165)	(521,375)	9,395,431	5,878,659
Total net assets	12,392	27,349,095	58,768,065	(187,530)	2,356,631	88,298,653	5,878,659
Total liabilities and net assets	\$ 68,311	\$ 38,104,740	\$ 66,320,130	\$ 170,966	\$ 2,923,767		\$ 6,101,256
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.						106,231	
Net assets of business-type activities						\$ 88,404,884	

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course	Totals	
Operating revenues:							
Charges for services	\$ 466,915	\$ 5,494,332	\$ 5,926,481	\$ 6,269	\$ 446,902	\$ 12,340,899	\$ 3,609,847
Other	771	51,444	-	-	-	52,215	192,839
Total operating revenues	467,686	5,545,776	5,926,481	6,269	446,902	12,393,114	3,802,686
Operating expenses:							
Personal services	27,767	845,640	987,814	67,478	431,655	2,360,354	504,449
Contractual services	450,349	1,932,493	2,500,189	20,004	209,379	5,112,414	2,369,192
Operating supplies	-	1,803,468	144,148	1,773	120,447	2,069,836	632,764
Depreciation	-	732,218	1,424,576	12,712	90,523	2,260,029	5,983
Total operating expenses	478,116	5,313,819	5,056,727	101,967	852,004	11,802,633	3,512,388
Operating income (loss)	(10,430)	231,957	869,754	(95,698)	(405,102)	590,481	290,298
Nonoperating revenues (expenses):							
Interest earnings	-	116,265	73,438	-	-	189,703	174,081
Interest expense	-	(433,081)	(287,465)	(1,804)	-	(722,350)	-
Total nonoperating revenues (expenses)	-	(316,816)	(214,027)	(1,804)	-	(532,647)	174,081
Net income (loss) before contributions and transfers	(10,430)	(84,859)	655,727	(97,502)	(405,102)	57,834	464,379
Capital contributions	-	1,194,857	5,064,201	-	998,670	7,257,728	-
Transfers in	-	51,143	275,034	-	-	326,177	1,000,000
Transfers out	-	(1,794,200)	(606,434)	-	-	(2,400,634)	-
Change in net assets	(10,430)	(633,059)	5,388,528	(97,502)	593,568	5,241,105	1,464,379
Total net assets, beginning	22,822	27,982,154	53,379,537	(90,028)	1,763,063		4,414,280
Total net assets, ending	\$ 12,392	\$ 27,349,095	\$ 58,768,065	\$ (187,530)	\$ 2,356,631		\$ 5,878,659
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.						50,153	
Change in net assets of business-type activities						\$ 5,291,258	

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Solid Waste	Water	Sewer	Storm Water	Otter Creek Golf Course	Totals	
Cash flows from operating activities:							
Receipts from customers	\$ 465,949	\$ 5,829,152	\$ 5,971,743	\$ 6,269	\$ 461,616	\$ 12,734,729	\$ 3,899,450
Payments to suppliers	(426,542)	(3,510,634)	(2,971,848)	(21,604)	(348,452)	(7,279,080)	(3,409,716)
Payments to employees	(27,766)	(829,972)	(992,922)	(67,725)	(433,207)	(2,351,592)	(212,947)
Net cash provided (used) by operating activities	11,641	1,488,546	2,006,973	(83,060)	(320,043)	3,104,057	276,787
Cash flows from noncapital financing activities:							
Payments received on interfund accounts	-	2,769,507	2,694,986	-	-	5,464,493	612,364
Payments made on interfund accounts	-	-	-	(15,444)	-	(15,444)	-
Loans issued to other funds	-	(683,443)	(318,600)	-	-	(1,002,043)	(815,745)
Loans received from other funds	-	-	-	100,000	350,000	450,000	-
Transfers from other funds	-	51,143	275,034	-	-	326,177	1,000,000
Transfers to other funds	-	(1,794,200)	(606,434)	-	-	(2,400,634)	-
Net cash provided (used) by noncapital financing activities	-	343,007	2,044,986	84,556	350,000	2,822,549	796,619
Cash flows from capital and related financing activities:							
Proceeds from long-term debt, net of bond issue costs	-	66,993	252,471	-	-	319,464	-
Purchase of capital assets	-	(1,699,382)	(2,772,459)	-	-	(4,471,841)	(69,593)
Principal paid on sewer development agreements	-	-	(305,887)	-	-	(305,887)	-
Interest paid on sewer development agreements	-	-	(31,287)	-	-	(31,287)	-
Principal paid on long-term debt	-	(573,798)	(863,213)	-	-	(1,437,011)	-
Interest paid on long-term debt	-	(424,397)	(283,877)	-	-	(708,274)	-
Net cash (used) by capital and related financing activities	-	(2,630,584)	(4,004,252)	-	-	(6,634,836)	(69,593)
Cash flows from investing activities:							
Proceeds from investment maturity	-	2,825,000	2,000,000	-	-	4,825,000	-
Purchase of investments	-	(1,510,188)	(1,500,000)	-	-	(3,010,188)	-
Interest received	-	134,296	62,683	-	-	196,979	238,476
Net cash provided (used) by investing activities	-	1,449,108	562,683	-	-	2,011,791	238,476
Net increase (decrease) in cash and cash equivalents	11,641	650,077	610,390	1,496	29,957	1,303,561	1,242,289
Balances, beginning of year	35,451	1,800,746	4,605,608	19,835	15,134	6,476,774	2,528,881
Balances, end of year	\$ 47,092	\$ 2,450,823	\$ 5,215,998	\$ 21,331	\$ 45,091	\$ 7,780,335	\$ 3,771,170
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (10,430)	\$ 231,957	\$ 869,754	\$ (95,698)	\$ (405,102)	\$ 590,481	\$ 290,298
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	-	732,218	1,424,576	12,712	90,523	2,260,029	5,983
Changes in assets and liabilities:							
Receivables, net	(1,736)	278,273	51,373	-	14,713	342,623	96,765
Prepaid expenses	-	-	-	-	-	-	(8,898)
Inventory	-	-	-	-	-	-	(7,422)
Accounts and other payables	23,807	239,693	(338,730)	(74)	(20,177)	(95,481)	(49,046)
Claims payable	-	-	-	-	-	-	(50,893)
Customer deposits	-	6,405	-	-	-	6,405	-
Deferred revenue	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 11,641	\$ 1,488,546	\$ 2,006,973	\$ (83,060)	\$ (320,043)	\$ 3,104,057	\$ 276,787
Noncash capital and related financing activities:							
Contribution of capital assets	\$ -	\$ 1,194,857	\$ 5,064,201	\$ -	\$ 998,670	\$ 7,257,728	\$ -
Noncash investing activities:							
Net change in unrealized gain (loss) on investments	\$ -	\$ (810)	\$ (775)	\$ -	\$ -	\$ (1,585)	\$ (48)

The notes to the financial statements are an integral part of this statement.

City of Ankeny, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2008

Assets:

Cash and cash equivalents	\$ 97,642
Receivables, interest	<u>210</u>
Total Assets	<u>\$ 97,852</u>

Liabilities:

Monies held for other agencies	<u>\$ 97,852</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF ANKENY, IOWA
Notes to the Financial Statements
June 30, 2008

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City operates under the Mayor-Council-Manager form of government. The City has five council members that are elected at-large and an elected mayor. The mayor presides over the council but is a non-voting member with executive powers. The City retains a city manager to administer the City's business from day-to-day and to implement council policy.

The City of Ankeny has quickly grown to an organization with over 300 employees and offers a wide variety of services including water and sewer services, police and fire protection, library services, street maintenance, a public golf course, parks and recreation facilities and activities, planning and zoning, and general administration.

As required by accounting principles generally accepted in the United States of America, these financial statements are to include the primary government and its component units - organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Ankeny, Iowa, is a municipal corporation governed by the Council, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The City has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt without the approval of another government. It has the right to sue and be sued; and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the City is considered a primary government.

Component Units

There are several organizations that meet the conditions to be classified as a component unit of the City. Component units can be reported in two different ways – blended or discretely presented. Blended component units are integrated into the City's financial statements and are presented as funds of the City. Discretely presented component units are presented separately and appear in the financial statements as a separate entity. There are three entities that qualify as component units of the City. They are the Ankeny Sports Complex Foundation, Keep Ankeny Beautiful, and the Ankeny Arts Council.

The Ankeny Sports Complex Foundation (ASCF) was created for the purpose of raising funds to assist in the construction of the Prairie Ridge Youth Sports Complex, which is a facility operated and maintained by the City. All board members are appointed by the Mayor. The ASCF is a blended component unit, because it exclusively provides services and benefits to the City and is presented as a special revenue fund. The Ankeny Sports Complex Foundation has a June 30 year-end.

The Keep Ankeny Beautiful committee was formed in order to implement projects intended to enhance the physical appearance of the City. The committee is funded through contributions from private and public enterprises. All board members are appointed by the Mayor. Keep Ankeny Beautiful is a blended component unit because it almost exclusively provides services and benefits to the City and is presented as a special revenue fund. Keep Ankeny Beautiful has a June 30 year-end.

The Ankeny Arts Council was established for the purpose of the promotion of performing and fine arts within the City. All board members are appointed by the Mayor. The Ankeny Arts Council's fiscal year end is December 31. The Ankeny Arts Council is a discretely presented component unit because the relationship between the City and the Ankeny Arts Council is such that without the Ankeny Arts Council's financial presentation, the City's financial statements would be incomplete. However, the relationship between the City and the Ankeny Arts Council does not meet the criteria for blending their financial data. The financial data presented for the Ankeny Arts Council is from the last fiscal year-end, which was December 31, 2007.

Separate financial statements for the component units can be obtained from the City of Ankeny, Office of Finance and Budget, 410 West First Street, Ankeny, Iowa 50023.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City has the following fund types:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources

measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means that the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end.

Property taxes, service charges, special assessments, intergovernmental revenue, and interest revenue are susceptible to accrual. Licenses and permits, fines and forfeitures, and other miscellaneous receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Intergovernmental revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants, however, are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the amounts are available.

Expenditures are recorded when the related fund liability is incurred, except for certain long-term obligations, including debt service principal and interest, compensated absences and claims and judgments. Expenditures related to such liabilities are only recognized under modified accrual accounting when they mature (when due).

Governmental funds include the following fund types:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including revenues restricted for general fund activities, debt service expenditures or capital projects) and are not fiduciary.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *Capital Project Funds* account for acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

Proprietary funds are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues from the City's proprietary funds are charges to customers for sales, rentals and services. Operating expenses for the proprietary funds include cost of personal services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary funds include the following fund types:

The *Enterprise Funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City applies all applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, to the enterprise funds unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

The *Internal Service Funds* account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee or agency capacity for the benefit of others. Fiduciary funds account for assets held by the City under the terms of a trust agreement and which cannot be used to support City activities. The City uses agency funds to report monies being held for the organizations of the Ankeny Arts Council and the Ankeny Foundation. *Agency funds* do not record revenues and expenses, but instead report assets held for others and the related liability.

The financial statements presented by the City are organized in the following manner:

The basic financial statements include the government-wide financial statements (based on the City as a whole) and the fund financial statements. The government-wide statements present consolidated information from both the governmental and business-type activities using the economic resources measurement focus and the accrual basis of accounting. The government-wide statements are the Statement of Net Assets and the Statement of Activities.

The Statement of Activities presents, for each City activity, the extent to which direct expenses are being supported by program revenues or by general revenues. Direct expenses are those that are clearly identifiable with the specific activity (including depreciation). Program revenues are charges, grants, contributions, or other revenues that are either restricted for use or are directly associated with the particular activity. General revenues include interest, taxes, and other revenues used to support City operations that are not directly associated with a particular activity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When one City activity charges another City activity for a direct expense, the direct expense of the activity is not eliminated from that activity's expenses; however, the corresponding revenue and expense of the activity receiving the reimbursement is eliminated. The City does not employ an indirect cost allocation system.

Governmental activities in the government-wide statements include the operations from the governmental funds: general fund, special revenue funds, debt service fund and capital projects funds adjusted from the modified accrual to the full accrual basis of accounting. Governmental activities also include the activities from the internal service funds, because their operations are governmental in nature. Business-type activities in the government-wide statements are comprised of the enterprise funds. Agency funds are not reported in the government-wide statements, because these funds cannot be used to support City activities.

The fund financial statements present the City's activities at the fund level rather than on a city-wide basis. The fund financial statements report the governmental funds using the modified accrual basis of accounting and the proprietary funds using the full accrual basis of accounting. Fund financial statements would also include statements for the fiduciary funds, which are reported on a full accrual basis of accounting. The fund financial statements for both the governmental and the proprietary funds report the major funds individually and the non-major funds combined.

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. If a fund's assets, liabilities, revenues or expenditures/expenses are at least ten percent of those of its fund type and at least five percent of those of both governmental fund types and enterprise funds, then it must be a major fund. The City also elects to report certain funds as major funds that did not meet the percentage test, but are of a special interest to the City Council and the community.

The City has the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *Road Use Tax Fund*, a special revenue fund, accounts for state road use taxes allocated to the City to be used to maintain and improve the City's street system.

The *Tax Increment Financing Fund*, a special revenue fund, accounts for taxes collected on the incremental increase in the value of property located within the tax increment financing districts and to be used for activities within those districts.

The *Capital Projects Fund* accounts for acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

The City has the following major enterprise funds:

The *Solid Waste Fund* accounts for the collection of recycling fees and the cost of recycling services.

The *Water Fund* accounts for the operation and maintenance of the municipal water infrastructure including towers, pumps, wells and pipes, and accounts for the provision of water to the City.

The *Sewer Fund* accounts for the operations of a municipally owned wastewater treatment plant and its related sewer infrastructure.

The *Storm Water Fund* accounts for the collection of storm water fees and the cost of storm water management and disposal.

The *Otter Creek Golf Course Fund* accounts for the operation of the municipally owned golf course.

The non-major funds are shown combined in the fund financial statements but are presented individually in the supplementary information following the notes to the financial statements.

The internal service funds are shown combined at the far right of the proprietary fund financial statements. The individual internal service funds are presented in the supplementary information. The City has the following internal service funds:

The *Central Garage Fund* accounts for the operations of a central vehicle maintenance garage. All costs incurred for vehicle maintenance operations are charged to departments on a cost reimbursement basis.

The *Risk Management Fund* accounts for the purchase of insurance and related activities. All costs incurred for such activities are charged to funds based upon property value and employee wages and are allocated on a cost reimbursement basis.

The *Equipment Reserve Fund* accounts for a revolving loan fund that provides low interest loans to departments to purchase equipment. The loans are designed on a cost reimbursement basis.

The *Economic Development Revolving Fund* accounts for a revolving loan fund that provides loans to pay for small improvement proposals such as street construction, streetlights, traffic signals and tax incentives to small businesses. The loans will be repaid with tax increment financing revenues.

The *Health Insurance Fund* accounts for insurance claims against the City and the administration of the self-insured plan. All paid claims and administration costs are charged to departments as premiums based on employee coverage. Premiums are designed on a cost reimbursement basis.

The modified accrual basis of accounting as employed by the governmental funds and the full accrual basis of accounting as employed by the proprietary and fiduciary funds have numerous timing and treatment differences. Differences that include the recording of long-term liabilities, the recording of capital asset purchases and disposals and the timing of recognized revenues. Reconciliations are provided for governmental funds to reconcile fund balance to net assets and to reconcile the changes in fund balance to the changes in net assets.

C. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

The City maintains a cash pool in order to maximize interest returns. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund. Fund cash deficits are treated as interfund loans.

The City considers petty cash, bank deposits, certificates of deposit and investments in open-end mutual funds to be cash or cash equivalents. Short-term investments with original maturities of three months or less are also considered cash equivalents.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by City Council; Iowa Public Agency Investment Trust (IPAIT); prime eligible bankers acceptances; certain highly rated commercial paper or other short-term corporate debt; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments for the City are reported at their fair value based on market prices as of June 30. The fair value of the position in Securities Exchange Commission (SEC) registered mutual funds and in State of Iowa regulated Iowa Public Agency Investment Trust is the same as the value of the pool shares.

Investment income includes interest income and the net increase (decrease) in the fair value of investments that includes realized and unrealized gains and losses on investments.

Property Taxes Receivable

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. No property tax levy date is established by the State of Iowa; however, the current tax levy which is due and collectable during the year ending June 30, 2008, was certified on March 15, 2007, by the local taxing authority, Polk County, Iowa, based on January 1, 2006, valuations establishing a lien date of March 15, 2007. Property taxes are due in two installments with the first half becoming delinquent after September 30 and the second half after March 31 of the following year. Property taxes are recognized as revenue at year-end if they are measurable and are available to pay current liabilities.

Property taxes certified on March 15, 2008, for the fiscal year beginning on July 1, 2008, are recognized as a receivable as of June 30, 2008, but are shown as deferred revenue because these taxes are not permitted for use until July 1, 2008.

Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Interfund Balances

Transactions between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" to indicate the non-current nature of the interfund loans. All other outstanding balances between funds are expected to be repaid within one year and reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Interfund balances are eliminated at the government-wide level. Those that are between governmental and business-type activities are shown as internal balances and eliminated from the totals column. Those that are between funds that are within the same activity are eliminated altogether.

Restricted Assets

Certain proceeds of the City's sewer fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets. These assets are restricted due to revenue bond covenants requiring that monies be set aside and used solely for the protection and repayment of the revenue bond holders.

The City also has restricted assets relating to customer deposits.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

Capital Assets

Capital assets used in governmental and business-type activities of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

In accordance with GASB Statement No. 34, the City started capitalizing new public domain (infrastructure) capital assets (e.g. roads, bridges, sidewalks, traffic signals, etc.) used in governmental activities in fiscal year 2003. In fiscal year 2007, the City added its infrastructure for governmental activities that was acquired prior to fiscal year 2003.

All assets capitalized by the City must have a useful life of two years or more and have a cost that exceeds the following minimum thresholds:

<u>Assets</u>	<u>Threshold</u>
Infrastructure	\$ 50,000
Other improvements	25,000
Buildings	25,000
Machinery and equipment	5,000
Furniture and fixtures	5,000
Land	0

Depreciable capital assets are depreciated using the straight-line method of depreciation with half-year convention over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30-60
Other improvements	10-40
Buildings	30
Machinery and equipment	3-10
Furniture and fixtures	10-20

Capital assets are reported at the fund level for proprietary funds but not for governmental funds.

The City's collection of works of art, library books, and similar assets are not capitalized. These collections are unencumbered, held for exhibition and education, protected, cared for and preserved, and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon termination or retirement while sick pay is payable only upon termination to employees of the American Federation of State, County and Municipal Employees and Ankeny Police Department Employees Union. A liability has been recorded for all earned but unused vacation benefits, and for those earned but unused sick leave benefits that vest in the governmental and business-type activities at the government-wide level.

Accrued vacation and sick leave benefits are reported as a liability in the proprietary funds using the same basis as the activities at the government-wide level. In governmental funds, however, these accrued benefits are not considered due and are not reported as a fund liability.

Compensated absences attributable to governmental activities are generally liquidated by the general fund and the road use tax fund.

Long-term Obligations

In the government-wide financial statements the City reports long-term debt of governmental and business-type activities at face value net of the applicable premiums or discounts. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Issuance costs are treated as deferred charges and are reported as unamortized bond issuance costs. The same treatment is applied to proprietary fund types in the fund financial statements.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face value of bonds issued is reported as an other financing source as is the applicable premium or discount. Issuance costs are reported as an expenditure. Long-term debt and associated accrued interest are reported in governmental funds at maturity.

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally separated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. As of June 30, 2008, the City had \$40,334,295 of unspent debt proceeds in the capital projects fund. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets consist of \$5,438,401 restricted by donors, \$201,617 restricted by other governments, \$417,300 restricted through enabling legislation and \$4,587,684 restricted for debt service.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires

management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the City presents budgetary comparison schedules as required supplementary information based on the program structure of nine functional areas as required by state statute for its legally adopted budget.

III. DEPOSITS AND INVESTMENTS

As of June 30, 2008, the City had investments in debt securities with the following original maturities:

Investment Type	Original Maturity			Totals
	Within 6 Months	6 Months to 1 Year	1 Year to 3 Years	
U.S. Instrumentalities	-	\$ 1,000,000	\$ 4,477,486	\$ 5,477,486
Open-end mutual funds	7,321,169	-	-	7,321,169
IPAIT mutual funds	2,263,565	-	-	2,263,565
Commercial paper	500,020	-	-	500,020
Corporate bonds	-	6,030,920	102,697	6,133,617
	<u>\$ 10,084,754</u>	<u>\$ 7,030,920</u>	<u>\$ 4,580,183</u>	<u>\$ 21,695,857</u>

The City held certificates of deposit totaling \$27,263,341 at June 30, 2008. Of this total \$23,260,000 had original maturities within 6 months, \$3,377,000 had original maturities of 6 months to 1 year and \$626,341 had original maturities of 1 year to 3 years.

Risk Exposure

The City manages its exposure to *interest rate risk* through its investment policy by limiting the maturities of investments of operating funds to 397 days and the investment of commercial paper and short-term corporate debt to 270 days. Reserve funds may be invested for greater than 397 days.

The City manages its exposure to *concentration risk* by limiting its purchase of commercial paper and other short-term corporate debt to no more than 10% of its investment portfolio and to no more than 5% in the securities of a single issuer.

The City's investment policy also expressly calls for the diversification of the City's portfolio from a concentration in a specific maturity, a specific issuer or a specific class of securities as a means of avoiding *interest rate risk* and

concentration risk. The individual issuer in which the City had its highest concentration of investments was in debt obligations of the Federal Home Loan Bank. These investments were rated Aaa by Moody's Investors Service and totaled \$3,500,000 or 4.87% of the City's cash and investments. The City manages its exposure to *credit risk* by limiting its purchase of commercial paper and other short-term corporate debt to securities rated in the two highest classifications as established by one of the standard rating services approved by the State of Iowa Superintendent of Banking. Ratings are evaluated at time of purchase. Corporate bonds of \$6,133,617 held by the City were rated A3 or better by Moody's Investors Service. Commercial paper of \$500,020 held by the City was rated P1 by Moody's Investors Service.

All of the \$5,477,486 in obligations of U.S. instrumentalities held by the City on June 30, 2008, were rated Aaa by Moody's Investors Service. The City also had investments of \$2,263,565 in IPAIT mutual funds, which were not rated by any of the standard rating services, however, the mutual funds' investments were limited to obligations of the U.S. Treasury and of U.S. agencies and instrumentalities that were rated Aaa. The City had investments in other open-end mutual funds that totaled \$7,321,169 at year-end and were rated Aaa by Moody's Investors Service.

Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2008, the carrying amount of the City's cash deposits, which include certificates of deposit, totaled \$50,180,010 with bank balances of \$50,352,935. The bank balances are covered entirely by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

As of December 31, 2007, the carrying amount of the Arts Council's (a discretely presented component unit) cash deposits totaled \$30,306 with bank balances of \$32,615. The bank balances are covered entirely by federal depository insurance.

IV. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, is as follows:

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities:				
Undepreciated:				
Land	\$ 5,336,572	\$ 598,580	\$ 0	\$ 5,935,152
Construction in progress	10,197,807	19,473,574	353,719	29,317,662
Total, undepreciated	15,534,379	20,072,154	353,719	35,252,814
Depreciated:				
Other improvements	10,725,131	439,976	0	11,165,107
Infrastructure	89,291,269	6,651,143	0	95,942,412
Buildings	16,384,956	92,900	0	16,477,856
Machinery and equipment	10,301,117	1,041,768	306,417	11,036,468
Furniture and fixtures	1,219,949	0	0	1,219,949
Total, depreciated	127,922,422	8,225,787	306,417	135,841,792
Accumulated depreciation:				
Other improvements	3,199,995	576,317	0	3,776,312
Infrastructure	15,353,590	1,940,243	0	17,293,833
Buildings	5,169,842	480,748	0	5,650,590
Machinery and equipment	6,361,042	707,950	305,248	6,763,744
Furniture and fixtures	1,209,230	8,304	0	1,217,534
Total accumulated depreciation	31,293,699	3,713,562	305,248	34,702,013
Governmental activities capital assets, net	\$ 112,163,102	\$ 24,584,379	\$ 354,888	\$ 136,392,593

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Business-type activities:				
Undepreciated:				
Land	\$ 1,100,894	\$ 115,000	\$ 0	\$ 1,215,894
Construction in progress	4,376,651	5,366,891	2,220,273	7,523,269
Total, undepreciated	5,477,545	5,481,891	2,220,273	8,739,163
Depreciated:				
Other improvements	649,692	0	0	649,692
Infrastructure	98,950,323	4,816,401	0	103,766,724
Buildings	1,568,965	0	0	1,568,965
Machinery and equipment	1,593,142	229,187	0	1,822,329
Furniture and fixtures	36,016	0	0	36,016
Total, depreciated	102,798,138	5,045,588	0	107,843,726
Accumulated depreciation:				
Other improvements	334,340	30,810	0	365,150
Infrastructure	23,095,446	2,057,437	0	25,152,883
Buildings	792,794	40,694	0	833,488
Machinery and equipment	1,025,028	131,088	0	1,156,116
Furniture and fixtures	36,016	0	0	36,016
Total accumulated depreciation	25,283,624	2,260,029	0	27,543,653
Business-type activities capital assets, net	\$ 82,992,059	\$ 8,267,450	\$ 2,220,273	\$ 89,039,236

Depreciation expense was charged to the activities of the primary government as follows:

Governmental activities:	
Public safety	\$ 399,135
Health and social services	2,978
Culture and recreation	841,024
Public works	2,273,589
Community and economic development	0
General government	196,836
Total depreciation expense - governmental activities	<u>\$ 3,713,562</u>
Business-type activities:	
Water	\$ 732,218
Sewer	1,424,576
Storm water	12,712
Otter Creek golf course	90,523
Total depreciation expense - business-type activities	<u>\$ 2,260,029</u>

V. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor, internal service	\$ 2,365
	Special revenue, recreation activities	6,734
Water	Capital projects	4,363,813
	Enterprise, Otter Creek golf course	450,000
Sewer	Capital projects	1,614,965
	Enterprise, Storm water	225,000
Nonmajor, internal service	General fund	307,589
	Special revenue, road use tax	253,911
	Enterprise, Storm water	27,793
	Enterprise, Otter Creek golf course	19,111
		<u>\$ 7,271,281</u>
Advances To/From Other Funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor, internal service	General fund	\$ 600,384
	Special revenue, road use tax	479,165
	Enterprise, Storm water	102,896
	Enterprise, Otter Creek golf course	26,223
		<u>\$ 1,208,669</u>

Interfund balances result from financing activities for the acquisition of capital equipment and improvements. The internal service fund, equipment reserve fund, loans money to other funds for the acquisition of capital equipment; the resulting loan is reported as an interfund receivable/payable. The capital projects fund accounts for the capital construction and related financing for many water and sewer projects, which are funded through debt financing. The timing differences between the debt issuance and the capital construction create an interfund balance between the capital projects fund and the enterprise fund involved.

Notes to Financial Statements
June 30, 2008

Interfund transfers for the year ended June 30, 2008 were as follows:

	Transfers In						
	General	Debt Service	Capital Project	Water	Sewer	Nonmajor Governmental	Internal Service Total
Transfers Out:							
General	-	-	-	-	-	1,007,991	- 1,007,991
Tax Increment Financing	-	3,666,991	-	-	-	-	- 3,666,991
Capital Projects	-	997,803	-	26,143	275,034	-	- 1,298,980
Water	200,000	344,200	1,250,000	-	-	-	- 1,794,200
Sewer	200,000	246,185	135,249	25,000	-	-	- 606,434
Nonmajor:							
Special Revenue	169,800	-	-	-	-	-	- 169,800
Capital Projects	-	-	-	-	-	-	1,000,000 1,000,000
Internal Service	-	-	-	-	-	-	- -
	569,800	5,255,179	1,385,249	51,143	275,034	1,007,991	1,000,000 9,544,396

Transfers are used to move resources from the fund that will be providing the resources to the fund in which certain expenditures/expenses are being accounted for. Transfers are generally used to fund the cost of administration, debt service, or capital projects.

VI. DEFERRED REVENUE

Under both the accrual and the modified accrual methods of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset with a corresponding liability for deferred (unearned) revenue. The following funds had deferred (unearned) revenue at June 30, 2008:

General	Succeeding year taxes	\$ 12,391,743
Debt Service	Succeeding year taxes	5,046,497
Special Revenue:		
Tax Increment Financing	Succeeding year taxes	4,971,510
	DART lease agreement	265,439
Police/Fire Pension	Succeeding year taxes	673,964
		<u>\$23,349,153</u>

Governmental funds also record deferred (unavailable) revenue for revenues that have been earned but are not available to liquidate current liabilities. The following funds had deferred (unavailable) revenues at June 30, 2008:

General	Delinquent taxes	\$ 3,972
	Accounts receivable	676,207
	Intergovernmental receivable	197,000
Debt Service	Delinquent taxes	3,637
Special Revenue:		

Notes to Financial Statements
June 30, 2008

Tax Increment Financing	Delinquent taxes	115,172
Police/Fire Pension	Delinquent taxes	369
Capital Projects:		
Capital Projects	Accounts receivable	185,363
Special Assessments	Special assessments	<u>829,224</u>
		<u>\$ 2,010,944</u>

VII. LONG-TERM DEBT

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of infrastructure, major capital facilities, and other major capital assets. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds as of June 30, 2008 consist of the following individual issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2008
Refunding	07/02/03	06/01/09	\$ 4,335,000	2.300%	\$ 1,015,000
Various public improvements	05/15/98	06/01/09	8,110,000	4.350	985,000
Various public improvements	06/01/98	06/01/09	2,900,000	4.450	350,000
Various public improvements	06/01/00	06/01/11	5,270,000	5.300 - 5.375	1,850,000
Various public improvements	06/01/01	06/01/12	2,895,000	4.250 - 4.550	1,305,000
Various public improvements	05/15/02	06/01/13	3,885,000	3.850 - 4.250	2,145,000
Various public improvements	05/06/02	06/01/13	2,540,000	3.750 - 4.200	1,405,000
Various public improvements	05/01/03	06/01/14	9,000,000	3.100 - 3.700	5,700,000
Various public improvements	05/27/05	06/01/18	14,790,000	3.500 - 4.050	12,785,000
Various public improvements	05/30/06	06/01/17	5,695,000	4.125 - 4.250	5,225,000
Various public improvements	05/30/07	06/01/18	13,040,000	4.000	13,040,000
Various public improvements	05/15/08	06/01/19	11,985,000	3.250 - 4.000	11,985,000
Public safety facilities	05/15/08	06/01/28	22,425,000	3.000 - 4.625	22,425,000
Various public improvements	05/30/07	06/01/09	31,500,000	4.100	31,500,000
Various public improvements	05/15/08	06/01/10	5,700,000	3.250	5,700,000
			<u>\$ 144,070,000</u>		<u>\$ 117,415,000</u>

Future debt service requirements for outstanding general obligation bonded indebtedness are as follows:

Year Ending June 30	General Obligation Principal	General Obligation Interest	Total
2009	38,885,000	4,713,980	43,598,980
2010	12,065,000	3,106,520	15,171,520
2011	6,700,000	2,677,610	9,377,610
2012	6,395,000	2,417,349	8,812,349
2013	6,370,000	2,173,949	8,543,949
2014	5,945,000	1,932,045	7,877,045
2015	5,260,000	1,708,645	6,968,645
2016	5,555,000	1,506,195	7,061,195
2017	5,970,000	1,290,064	7,260,064
2018	5,565,000	1,048,289	6,613,289
2019	2,630,000	822,169	3,452,169
2020	1,300,000	713,969	2,013,969
2021	1,400,000	658,719	2,058,719
2022	1,500,000	599,219	2,099,219
2023	1,600,000	535,469	2,135,469
2024	1,700,000	465,469	2,165,469
2025	1,850,000	388,969	2,238,969
2026	2,000,000	305,719	2,305,719
2027	2,250,000	215,719	2,465,719
2028	2,475,000	114,469	2,589,469
	<u>\$ 117,415,000</u>	<u>\$ 27,394,536</u>	<u>\$ 144,809,536</u>

Accumulated fund balances in the Debt Service fund are legally restricted for the repayment of debt service. The fund balance at June 30 in the Debt Service fund is \$3,033,897.

Sewer capital loan notes. The City issues capital loan notes to provide for the construction of sewer system infrastructure. These notes are reported in the sewer fund in the enterprise funds. Sewer capital loan notes as of June 30, 2008 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2008
Various sewer improvements	12/13/91	05/01/12	\$ 925,000	3.00	\$ 258,000
Various sewer improvements	05/02/94	05/01/15	1,785,000	3.00	803,000
Various sewer improvements	04/07/97	05/01/17	4,344,000	3.92	2,244,000
			<u>\$ 7,054,000</u>		<u>\$ 3,305,000</u>

Future debt service requirements for the outstanding sewer capital loan notes are as follows:

Year ending June 30	Principal	Interest	Total
2009	\$ 660,000	\$ 99,150	\$ 759,150
2010	668,000	79,350	747,350
2011	676,000	59,310	735,310
2012	527,000	39,030	566,030
2013	369,000	23,220	392,220
2014	175,000	12,150	187,150
2015	180,000	6,900	186,900
2016	30,000	1,500	31,500
2017	20,000	600	20,600
	<u>\$ 3,305,000</u>	<u>\$ 321,210</u>	<u>\$ 3,626,210</u>

The following provisions are included in the sewer capital loan note agreement:

Cash from the Sewer Fund shall be transferred monthly into the Sewer Sinking Fund to pay the interest on, and to redeem the principal amount of, the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.

Cash from the Sewer Fund shall be transferred into the Sewer Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount of principal and interest coming due on the notes in any succeeding fiscal year, 2) 10% of the stated principal amount of the notes and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Sewer Fund as of June 30, 2008 relating to these provisions is \$829,958.

Sewer development agreements. The City issues development agreements for the extension of sewer mains into areas where developers are interested in constructing, but the City has not yet made plans for extending sewer mains. The agreements stipulate that the developers construct the new sewer main and then deed it over to the City. Once the sewer is completed and deeded over, the City will make payments plus interest over a five-year period to reimburse the developer for their construction cost. Connection fees from a developed area are applied to the sewer agreement's principal balance. Sewer development agreements as of June 30, 2008 consist of the following:

Notes to Financial Statements
June 30, 2008

Debt	Year Accepted	Final Maturity	Construction Cost	Rate Outstanding	Balance June 30, 2008
Ledgestone Plat 1	2007	07/01/10	\$ 272,559	3.8854%	\$ 90,191
Avondale Trace Plat 1	2007	07/01/10	298,005	3.38	69,684
Clover Ridge West	2007	07/01/10	267,845	3.38	110,263
			<u>\$ 838,409</u>		<u>\$ 270,138</u>

Future debt service requirements for the outstanding sewer development agreements are as follows:

Year ending June 30	Principal	Interest	Total
2009	90,046	15,733	105,779
2010	90,046	12,538	102,584
2011	90,046	9,342	99,388
	<u>\$ 270,138</u>	<u>\$ 37,613</u>	<u>\$ 307,751</u>

Water revenue bonds/capital loan notes. The City issues water revenue bonds and capital loan notes to provide for the construction of water system infrastructure. This debt is reported in the water fund in the enterprise funds. Water revenue bonds and capital loan notes as of June 30, 2008 consist of the following issues:

Debt	Issue Date	Final Maturity	Amount Issued	Interest Rate Range Outstanding	Balance June 30, 2008
Eastside Rural Water Phase 1	10/22/01	06/01/21	\$ 908,000	3.000	\$ 649,000
Various water improvements	11/21/05	06/01/25	4,025,000	4.000 - 4.625	3,605,000
Various water improvements	12/15/06	06/01/26	3,890,000	3.700 - 4.300	3,755,000
			<u>\$ 8,823,000</u>		<u>\$ 8,009,000</u>

Future debt service requirements for the outstanding water capital loan notes and revenue bonds are as follows:

Year ending June 30	Principal	Interest	Total
2009	332,000	321,999	653,999
2010	343,000	309,559	652,559
2011	354,000	296,704	650,704
2012	375,000	283,434	658,434
2013	387,000	269,364	656,364
2014	403,000	254,849	657,849
2015	420,000	239,734	659,734
2016	441,000	223,884	664,884
2017-2021	2,484,000	849,339	3,333,339
2022-2026	2,470,000	309,093	2,779,093
	<u>\$ 8,009,000</u>	<u>\$ 3,357,959</u>	<u>\$ 11,366,959</u>

The following provisions are included in the water capital loan note and the water revenue bond agreements:

Notes to Financial Statements
June 30, 2008

Cash from the Water Fund shall be transferred monthly into the Water Sinking Fund to pay the interest on, and to redeem the principal amount of, the bonds at maturity. The monthly transfers must be equal to one-sixth of the interest due on the next payment date plus one-twelfth of the principal maturing on the next retirement date.

Cash from the Water Fund shall be transferred into the Water Reserve Fund to maintain a balance which is equal to the lesser of 1) the maximum amount of principal and interest coming due on the notes in any succeeding fiscal year, 2) 10% of the stated principal amount of the notes and any parity obligations outstanding, or 3) 125% of the average amount of principal and interest coming due on the notes and any parity obligations in any succeeding fiscal year.

The amount restricted in the Water Fund as of June 30, 2008 relating to these provisions is \$723,829.

Changes in Long-term Debt. The following is a summary of the changes in the long-term debt of the City for the year ended June 30, 2008.

	June 30, 2007	Additions	Retirements	June 30, 2008	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 89,187,547	\$ 39,790,535	\$ 17,340,988	\$ 111,637,094	\$ 38,240,421
Compensated absences	392,471	361,103	314,832	438,742	365,560
Total governmental activities	89,580,018	40,151,638	17,655,820	112,075,836	38,605,981
Business-type activities:					
General obligation bonds	5,822,453	319,465	364,012	5,777,906	644,579
Water revenue bonds	7,640,000	0	280,000	7,360,000	290,000
Capital loan notes	4,747,000	0	793,000	3,954,000	702,000
Sewer development agreements	383,411	0	113,273	270,138	90,046
Compensated absences	124,892	78,283	64,847	138,328	71,305
Total business-type activities	18,717,756	397,748	1,615,132	17,500,372	1,797,930
Total long-term debt	\$ 108,297,774	\$ 40,549,386	\$ 19,270,952	\$ 129,576,208	\$ 40,403,911

Bonds and capital loan notes payable are presented on the Statement of Net Assets net of unamortized premiums and discounts as follows:

	Governmental Activities	Business-type Activities
Discounts:		
Current	\$ 7,231	\$ 5,463
Noncurrent	15,027	95,123
Total	<u>\$ 22,258</u>	<u>\$ 100,586</u>
Premiums:		
Current	\$ 14,887	\$ 1,495
Noncurrent	63,067	11,885
Total	<u>\$ 77,954</u>	<u>\$ 13,380</u>

VIII. DEFICIT FUND EQUITY

The following funds have a deficit fund balance or net assets as of June 30, 2008:

Storm water fund	(\$ 187,530)
Road use tax fund	(\$ 654,083)

The storm water fund deficit will be eliminated by the creation of a storm water utility and associated user fee. The road use tax fund deficit will be eliminated by future revenues and the shift of expenditures to alternate funding sources.

IX. RETIREMENT SYSTEMS

Iowa Public Employees Retirement System (IPERS)

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.90% of their annual covered salary and the City is required to contribute 6.05% of annual covered payroll, except covered firefighters who contribute 5.64% and the City contributes 8.47%. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2008, 2007, and 2006 were \$500,404, \$432,586, and \$408,046, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) which is a cost-sharing, multiple-employer defined benefit plan administered by a Board of Trustees. MFPRSI provides retirement, disability and death benefits that are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Urbandale, Iowa 50322.

Plan members are required to contribute 9.35% of their earnable compensation and the City's contribution rate is 25.48% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to MFPRSI for the years ended June 30, 2008, 2007, and 2006 were \$684,696, \$683,442, and \$624,691, respectively, which met the required minimum contributions for each year.

X. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan through the International City Manager's Association created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency. The plan has been amended to comply with IRC Section 457(g) that allowed for the plan to hold its assets in trust. Under these new requirements, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding assets are not reflected in the financial statements.

As a part of the City's contract with the City Manager, the City has decided to accumulate funds in accordance with Internal Revenue Code section 457(f) at a rate of \$19,050 per year plus interest which are to be designated as a retirement benefit for the City Manager until his expected retirement date of June 30, 2012. The City is not liable for any provisions of this contract nor required to reserve or invest funds under this agreement until the expected retirement date. Unreserved General fund balance of \$74,575 has been designated towards the future provisions of the agreement.

XI. RISK MANAGEMENT AND INSURANCE

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by Chapter 670.7 of the Code of Iowa. ICAP is a local government risk-sharing pool whose over 500 members include various government entities throughout the State of Iowa. ICAP was formed in 1986 for the purpose of managing and funding third-party liability claims against its members. ICAP provides coverage and protection in the following categories:

general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to ICAP fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, ICAP's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over ICAP.

ICAP also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, ICAP's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if sufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to ICAP for the year ended June 30, 2008 were \$275,945.

ICAP uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. ICAP retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$13,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by ICAP up to \$150,000 per occurrence, each location, with excess coverage reinsured on an individual member basis.

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total member's equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance coverage since ICAP's inception.

Members agree to continue membership in ICAP for a period of not less than one full year. After such period, a member who has given 60 days prior notice may withdraw from ICAP. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation. The City assumes the liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City also assumes all risks related to the injury of police officers and full-time fire fighters in the line of duty. The City's risk management activities are accounted for in the internal service fund, risk management fund, which provides for the purchase of insurance.

Health Insurance

The City operates a health insurance pool for the benefit of its employees that is self-funded through contributions in the form of employee premiums. The City is liable as to medical and dental claims made by the participants in the plan. The pool is self insured with an annual stop loss limit of \$55,000 per person and an aggregate stop loss limit of \$1,465,890. Coverage from a private insurance company is maintained for losses in excess of both the individual and the aggregate stop loss amounts. The City maintains \$1,000,000 of aggregate excess claim coverage. The City had outstanding aggregate or individual stop loss claims as of June 30, 2008 of \$160,074. An independent claims administrator performs the handling of all claims and procedures. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable includes all known claims and an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims payable are as follows:

	2008	2007
Claims payable, beginning of year	\$ 198,736	\$ 169,602
Incurred claims (including IBNR)	1,943,752	1,619,020
Claims payments	(1,999,471)	(1,589,886)
Claims payable, end of year	<u>\$ 143,017</u>	<u>\$ 198,736</u>

The City's health insurance activities are accounted for in the internal service fund, health insurance fund.

XII. JOINTLY GOVERNED ORGANIZATIONS

The City participates in the Polk County Aviation Authority (PCAA) that operates the Ankeny Regional Airport. The City, along with Polk County, Altoona, and Bondurant, form the PCAA. The City appoints two board members of the seven-member board. In addition, the City levies a property tax of \$.14821 per thousand dollars of taxable valuation for the Authority. The City paid \$232,140 to the PCAA in fiscal year 2008.

The City participates in the Metro Waste Authority (MWA). The MWA is responsible for the management of the metro landfill, transfer station, compost center, and recycling center and operates the Curb It! recycling program. The MWA has 17 members, including Ankeny, with each appointing one representative. The City charges residents a monthly fee to help recover the City's cost of the Curb It! recycling program. The City paid fees totaling \$384,847 in fiscal year 2008.

The City is a member of the Des Moines Metro Area Planning Organization (MPO) that is responsible for transportation planning and federal grants allocation within the area. There are 18 member governments that appoint 25 voting representatives. The City appoints two members. The City paid \$21,697 in membership dues for fiscal year 2008.

The City is a full member of the Des Moines Area Regional Transportation Authority (DART). DART has 22 member cities represented by nine board members. In fiscal year 2008, DART no longer charged member cities for annual contributions, but instead levied a property tax through Polk County. In addition, the City received \$316,000 in fiscal year 2004 from DART for prepayment of a 25-year lease for a Park-and-Ride lot that starts on July 1, 2004. The balance remaining on the lease is \$265,439 as of June 30, 2008.

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), which is a separate entity created by agreement in accordance with Chapter 28E of the Code of Iowa. The purpose of the organization is for the planning, construction, operation, and management of sewer related facilities. The WRA has 14 member governments with a governing board of 19 representatives of which the City appoints 2 representatives. The City paid membership and participation fees during fiscal year 2008 of \$1,628,466.

XIII. OPERATING LEASES

The City leases office space known as the Parks and Recreation Building under a non-cancelable operating lease. The first term of the lease is for ten

years. The following is a schedule of the future minimum lease payments required under the operating lease:

<u>Due July 31,</u>	<u>Amount</u>
2009	98,880
2010	98,880
2011	<u>57,680</u>
Total remaining payments	<u>\$ 255,440</u>

The City is also responsible for payments to the lessor for casualty insurance and property taxes and is responsible for expenses related to general maintenance, repairs, and utilities.

The City sub-leases office space known as the Public Services Building under a non-cancelable agreement. The term of the sub-lease is for eleven years and two months and terminates in December 2016. The following is a schedule of the future minimum lease payments required under the agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 162,204
2010	162,204
2011	162,204
2012	174,372
2013	174,372
2014 - 2017	<u>665,058</u>
Total remaining payments	<u>\$ 1,500,414</u>

The City is also responsible for expenses related to casualty insurance property taxes, maintenance, repairs, and utilities.

The City has a ten-year agreement with the Des Moines Waterworks (DMWW) for the operation of the Aquifer Storage and Recovery Facility (ASRF). The ASRF was constructed and is operated by the DMWW but is owned by the City. The City reimburses DMWW for operating expenses and also makes a monthly capital contribution of \$5,210. The total capital contribution over the life of the lease shall be \$480,000 plus 5.5% interest on unpaid portions. The City may make early payments of its capital contribution or may terminate the lease to reduce its total capital contribution, but not after the eighth year of the lease. The lease extends from August 1, 1999 to August 1, 2008.

The City has a long-term lease agreement with the Des Moines Waterworks (DMWW) for the production and supply of drinking water. Under the terms of the agreement, the City agrees to pay DMWW for the cost of the debt that was issued to build the infrastructure and facilities necessary to make the water available to the City. The remaining reimbursement is scheduled until December 1, 2027 and with payments scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 925,238
2010	917,437
2011	914,138
2012	910,238
2013	910,638
2014 - 2018	4,546,288
2019 - 2023	4,579,784
2024 - 2027	<u>3,688,622</u>
Total remaining payments	<u>\$ 17,392,383</u>

The City has entered into a lease agreement for the use of a facility known as the Public Works Facility that was constructed on land owned by the City. The lease term is for a twenty year period commencing in fiscal year 2005 and ending in fiscal year 2024. The annual lease payments amount to \$322,131 with the cumulative lease payments totaling \$6,442,616. The lease is cancelable if the City fails to appropriate funds for the lease payments; a 30 day notice prior to the end of the last fiscal year in which funds have been appropriated is required. The City is responsible for the maintenance, repairs, and utilities of the facility while the lease is in effect.

The following is a schedule of the expected remaining lease payments under the agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 322,131
2010	322,131
2011	322,131
2012	322,131
2013	322,131
2014 - 2024	<u>3,543,438</u>
Total remaining payments	<u>\$ 5,154,092</u>

XIV. CONDUIT DEBT OBLIGATIONS

The City has previously assisted in issuing industrial revenue bonds for the purposes of constructing privately owned industrial, health care, and airport facilities within the City. The bonds are not direct or contingent liabilities of the City, as the revenue from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment.

The following summarizes the outstanding issues in which the City assisted at June 30, 2008:

Company	Type	Issue Year	Amount Issued	Amount Outstanding	Final Maturity
On With Life, Inc.	Health care facility	2005	\$ 3,440,000	\$ 2,990,000	2020

XV. COMMITMENTS AND CONTINGENCIES

The City has outstanding commitments for purchase orders that have been issued to various vendors. For budgetary purposes, these commitments are considered encumbrances. The City's encumbrances at June 30, 2008 totaled \$1,995,161.

The City has outstanding commitments for construction projects including police station construction, fire station expansion, arterial construction, storm water improvements, park and recreation improvements, and other construction and engineering. The City's commitment to these contracts at June 30, 2008 is \$21,485,942.

The City is a defendant in several claims and lawsuits. In the opinion of the City Attorney and management, the resolution of these matters will not have a material effect on the financial statements of the City with the following exception:

Ankeny Landfill/Lagoon Site. This possible claim involves a request for reimbursement of expenses, as well as costs involved in the performance of a removal action at Operable Unit 1, Landfill and Lagoon Complex of the Des Moines Ex Ordnance Site located in Ankeny, Polk County, Iowa, initiated by the United States Environmental Protection Agency. Potentially responsible parties are the City of Ankeny, Deere & Company, and the U.S. Army Corps of Engineers. The United States Environmental Protection Agency has advised the potentially responsible parties that it is looking to these parties for reimbursement of past costs. Ankeny is responsible for a portion of these costs. Neither Ankeny's proportionate share of the past costs nor its share of the costs involved in the performance of the removal action have been determined at this time.

XVI. NEW PRONOUNCEMENTS

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements:

Statement No. 50, *Pension Disclosures*, an amendment of GASB Statements No. 25 and No. 27, issued May 2007. This Statement more closely aligns the financing reporting requirements for pensions with those of other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement had no effect on the City in the current year.

As of June 30, 2008, the GASB had issued the following statements not yet implemented by the City. The Statements, which might impact the City, are as follows:

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other post employment benefits expenses and related liability or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

Statement No 48, *Sales and Pledges of Receivables and Future Revenues*, issued September 2006, effective June 30, 2009. The Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows for a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City beginning with its year ending June 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the City beginning with its year ending June 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investments purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

XVII. SUBSEQUENT EVENTS

In December 2008, the City issued \$6,130,000 in sewer revenue bonds and \$4,400,000 in water revenue bonds to provide funds for the construction of improvements and extensions to the Municipal Utilities.

Required Supplementary Information

City of Ankeny, Iowa

Required Supplementary Information
Budgetary Comparison Schedule (Cash Basis) - All Governmental and Proprietary Funds
For the Year Ended June 30, 2008

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total All Budgeted Funds Actual	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues and other financing sources:						
Revenues:						
Property taxes	\$ 20,281,776	-	\$ 20,281,776	\$ 20,427,095	\$ 20,353,311	\$ (71,535)
Other taxes and assessments	1,740,128	-	1,740,128	1,268,230	1,468,108	272,020
Licenses and permits	876,396	1,500	877,896	1,336,300	1,024,400	(146,504)
Intergovernmental revenue	3,831,422	770	3,832,192	15,780,132	10,336,951	(6,504,759)
Charges for services	1,461,022	12,669,017	14,130,039	14,652,533	13,700,249	429,790
Use of money and property	2,621,277	271,203	2,892,480	2,240,720	2,610,050	282,430
Miscellaneous	9,604,558	13,082	9,617,640	18,115,550	12,559,901	(2,942,261)
Total revenues	40,416,579	12,955,572	53,372,151	73,820,560	62,052,970	(8,680,819)
Other financing sources:						
Bond proceeds	40,172,036	-	40,172,036	51,155,000	54,341,444	(14,169,408)
Transfers from other funds	8,257,016	2,229,150	10,486,166	17,253,564	9,916,337	569,829
Total other financing sources	48,429,052	2,229,150	50,658,202	68,408,564	64,257,781	(13,599,579)
Total revenues and other financing sources	88,845,631	15,184,722	104,030,353	142,229,124	126,310,751	(22,280,398)
Expenditures and other financing uses:						
Expenditures:						
Public safety	8,713,262	-	8,713,262	9,254,229	9,106,387	393,125
Public works	4,157,430	-	4,157,430	3,916,751	4,244,651	87,221
Health and social services	248,437	-	248,437	222,317	295,249	46,812
Culture and recreation	4,648,749	-	4,648,749	4,428,464	4,889,398	240,649
Community and economic development	2,711,814	-	2,711,814	1,953,672	2,867,990	156,176
General government	2,386,222	-	2,386,222	2,588,253	2,611,789	225,567
Debt service	8,120,863	-	8,120,863	8,251,014	8,121,563	700
Capital project	49,875,440	-	49,875,440	85,541,748	78,035,790	28,160,350
Business-type	-	10,975,657	10,975,657	12,377,628	11,982,357	1,006,700
Total expenditures	80,862,217	10,975,657	91,837,874	128,534,076	122,155,174	30,317,300
Other financing uses:						
Transfers to other funds	7,182,559	4,303,607	11,486,166	17,253,564	9,916,337	(1,569,829)
Total expenditures and other financing uses	88,044,776	15,279,264	103,324,040	145,787,640	132,071,511	28,747,471
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	800,855	(94,542)	706,313	(3,558,516)	(5,760,760)	6,467,073
Beginning fund balance, July 1	56,284,792	10,799,193	67,083,985	57,413,681	67,083,983	2
Ending fund balance, June 30	\$ 57,085,647	\$ 10,704,651	\$ 67,790,298	\$ 53,855,165	\$ 61,323,223	\$ 6,467,075

The notes to the required supplementary information are an integral part of this schedule.

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary
Basis and GAAP Basis Revenues and Expenditures
for the Governmental Funds
For the Year Ended June 30, 2008**

Revenues and other financing sources:

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 88,845,631
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(3,384,420)
Investments are recorded at their market value on a GAAP basis while on a budget basis, investments are recorded at their net cost including accrued interest	(35,316)
The Arts Council is included as a governmental fund on a budget basis but is reported as an agency fund on a GAAP basis.	(3,847)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	567,641
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	<u>(590,386)</u>
Total GAAP basis revenues and other financing sources for the governmental funds	<u><u>\$ 85,380,254</u></u>

Expenditures and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 88,044,776
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenditures as the liability is incurred.	(1,731,112)
Purchases related to loans from the Equipment Reserve fund are reported in that fund on a budgetary basis. On a GAAP basis, the borrowing fund records a liability and corresponding expenditure for the equipment purchase.	790,714
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	(337,259)
On a budget basis, separate funds may be created for management purposes, but on a GAAP basis these funds are combined into the general fund.	(19,050)
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis	(590,386)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(598,724)</u>
Total GAAP basis expenditures and other financing uses for the governmental funds	<u><u>\$ 85,558,959</u></u>

The notes to the required supplementary information are an integral part of this schedule.

City of Ankeny, Iowa

**Explanation of Differences Between Budgetary
Basis and GAAP Basis Revenues and Expenses
for the Proprietary Funds
For the Year Ended June 30, 2008**

Revenues and other financing sources:

Actual amount of "total revenues and other financing sources" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 15,184,722
On a budgetary basis, the City does not record revenues until the cash has been received. This differs from GAAP, which records revenues as they are earned and available.	(365,948)
Investments are not reported at market value on a budgetary basis. The change in market value is recorded on a GAAP basis.	(403)
On GAAP basis, transfers in from the Capital Projects fund are recorded as payments on interfund loans.	(1,902,973)
Customer deposits are recorded as revenue on a budgetary basis. On a GAAP basis, these deposits are reported as a liability.	<u>(6,405)</u>
Total GAAP basis revenues, nonoperating revenues, and transfers in	<u>\$ 12,908,994</u>

Expenditures and other financing uses:

Actual amount of "expenditures and other financing uses" on a budgetary basis from the budgetary comparison schedule - program budget	\$ 15,279,264
On a budgetary basis, the City does not record expenditures until the cash has been paid. This differs from GAAP, which records expenses as the liability is incurred.	(103,532)
Principal payments on indebtedness are recorded as an expenditure on a budgetary basis, but are not expensed on a GAAP basis.	(1,073,000)
Bond issuance costs are expended and bond discounts are not recorded on a budgetary basis. These costs and discounts are recorded and amortized under GAAP.	19,356
Depreciation and losses on fixed assets are reported on a GAAP basis but are not recorded on a budgetary basis	2,260,029
Purchases of capital assets is reported as an expense on a budget basis but is capitalized and depreciated on a GAAP basis	(84,858)
On a budgetary basis, capital projects for water and sewer construction are recorded in the Capital Projects fund. On a GAAP basis, this activity is recorded in the related enterprise fund as assets. Related bond proceeds are recorded as enterprise fund debt and an interfund liability. Fund transfers between the Capital Projects fund and the enterprise funds are eliminated.	318,595
Expenses paid by the Equipment Reserve fund on behalf of the enterprise funds and recorded as an interfund liability are recorded as an expense within the specific enterprise fund.	0
Transfers from enterprise funds to the Debt Service fund for bond principal and interest payments are reported as transfers in on a budgetary basis. These transfers are eliminated and the debt payments are recorded directly in the enterprise fund on a GAAP basis.	(1,676,597)
Repayments of loans to the Equipment Reserve fund are recorded as an expenditure on a budget basis. No expenditure is recorded for loan repayments on a GAAP basis.	<u>(13,640)</u>
Total GAAP basis expenses, nonoperating expenses, and transfers out	<u>\$ 14,925,617</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ANKENY, IOWA
Notes to Required Supplementary Information
June 30, 2008

I. BUDGETARY INFORMATION

The City prepares, adopts and submits to the State of Iowa an annual budget on a program basis for all combined funds, except for the internal service funds and the agency funds, as prescribed by Iowa statutes. The State of Iowa requires that annual budgets for the year beginning July 1 be certified to the County Auditor no later than March 15 preceding the beginning of the fiscal year. The adopted budget constitutes the City's appropriation for each program and purpose specified therein until amended.

After the initial budget is adopted, the budget may be amended for specific purposes. Budget amendments are required for budget transfers between funds as well as between programs. Management is not authorized to amend the budget without the approval of City Council. The City filed two budget amendments for the fiscal year ended June 30, 2008. The amendments decreased estimated expenditures by \$6,378,902. The City's budget amendments were essentially a complete re-estimate of the original budget. The amendments accounted for many changes in estimates and did not represent just a few specific activities or outlays, however, the decrease to expenditures was primarily due to the change in timing of capital improvement projects.

The City Council also approves a five-year capital improvement program. This capital improvement program is reviewed and revised annually by the City Council. A public hearing is held in regard to proposed capital improvements for the City. The first year of this plan is integrated into the City's accounting and reporting system along with the annual operating budget.

The State of Iowa allows the total cost of a construction project to be budgeted in one annual budget even if the project extends beyond that fiscal year. The remaining appropriation continues until the project is completed as long as (1) the total cost of the project is adopted after a public hearing as required by State code, (2) the cost must be included in an adopted or amended city budget, and (3) if the cost of a project exceeds the continuing appropriation, an additional appropriation must be included in a subsequent budget or amendment.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the program level for all funds combined rather

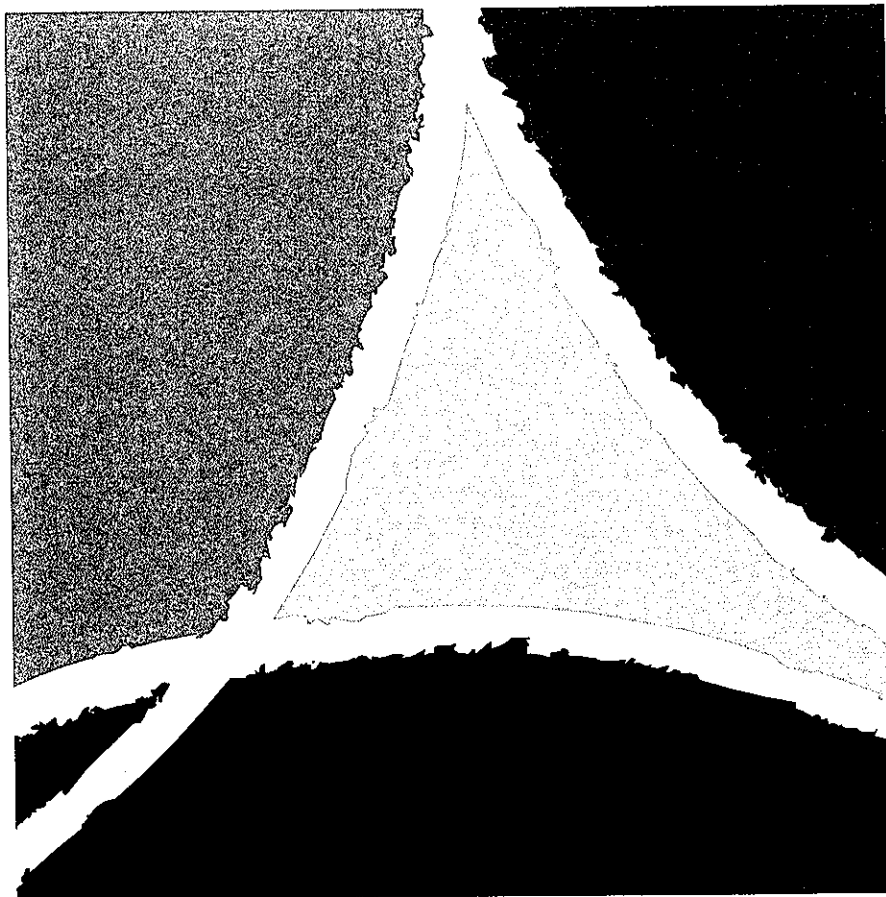
than at the individual fund level. The nine programs mandated by the State are: (1) Public Safety, (2) Health and Social Services, (3) Culture and Recreation, (4) Public Works, (5) Community and Economic Development, (6) General Government, (7) Debt Service, (8) Business Type/Enterprise and (9) Capital Projects. Since the City maintains its budgets at the individual fund level, it is necessary to aggregate the expenditures of the budgeted activities within the individual funds on a program basis and to compare such program totals with the program budgeted totals in order to demonstrate legal compliance with the budget. During the year ended June 30, 2008, expenditures did not exceed budgeted amounts in any of the nine programs. Budgetary compliance is demonstrated in the Required Supplementary Information.

Revenues are credited to the individual fund types while expenditures/expenses are classified according to program areas within the individual funds for budgetary control purposes. Expenditures are compared to budget appropriations according to the nine general program designations.

Unencumbered appropriations, other than amounts appropriated for capital projects, lapse at year-end. Appropriations for unfinished capital projects are carried forward indefinitely.

All general obligation bond payments, including those for which financial reporting purposes are accounted for through the enterprise funds, are budgeted through the debt service fund.

All funds are budgeted on a cash basis method of accounting. Expenditures are recognized when cash is disbursed and revenues are recognized when cash is received. This is an accounting method not in conformance with accounting principles generally accepted in the United States of America. Budgetary basis expenditures and revenues are reconciled to GAAP basis expenditures and revenues in the Required Supplementary Information.



Nonmajor Governmental Funds

Hotel/Motel Tax Fund – Accounts for the revenues from hotel/motel taxes and their subsequent disbursement.

Hawkeye Park Fund - Accounts for the revenues from players fees at the Hawkeye Park Sports Complex to be used for park improvements.

Police Gift Fund - Accounts for donations to be used specifically for the police department.

Police Seizure Fund - Accounts for monies obtained through property seizures and forfeitures and is to be used solely for police department activities.

Economic Development Fund – Accounts for the activities of the City's economic development department and the contributions and revenues obtained for that purpose.

Police/Fire Pension Fund - Accounts for taxes levied to fund the City's required matching contributions to the police and fire retirement system.

Library Gift Fund - Accounts for donations to be used specifically for the public library.

Park Dedication Fund - Accounts for monetary payments by developers for the construction and development of public parks.

Sports Complex Foundation Fund – Is a blended component unit, which accounts for contributions to the Foundation, the activities of the Foundation, and the disbursement of funds from the Foundation.

Ankeny Garden Club Fund – Accounts for donations to be used for the creation and maintenance of public gardens.

Recreation Events Fund - Accounts for sponsorship monies contributed for exclusive promotion and service rights that are to be used for recreation events and activities.

Band Shell Fund - Accounts for donations to be used for the construction of a band shell in a public park.

Keep Ankeny Beautiful Fund – Is a blended component unit, which accounts for funds contributed to Keep Ankeny Beautiful and the subsequent disbursement.

Civic Fund – Accounts for contributions made by the master developer of Prairie Trail to be used for civic improvements. Contributions are made to the Civic Fund at a rate of 125% of the cost of improvements made by the City within the Prairie Trail development.

Special Assessments Fund - Accounts for the collection of assessments levied against properties to pay for improvements that affect those properties.

City of Ankeny, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue							
	Hotel/Motel Tax	Hawkeye Park	Police Gift	Police Seizure	Economic Development	Police/Fire Pension	Library Gift	Park Dedication
Assets								
Cash and cash equivalents	\$ 122,851	\$ 9,223	\$ 1,957	\$ 177,886	\$ 12,739	\$ 475,000	\$ 6,884	\$ 296,051
Receivables:								
Interest	-	-	-	-	-	334	-	-
Taxes	-	-	-	-	-	678,168	-	-
Special assessments	-	-	-	-	150,000	-	-	-
Intergovernmental	-	-	-	-	-	42	-	-
Total assets	<u>122,851</u>	<u>9,223</u>	<u>1,957</u>	<u>177,886</u>	<u>162,739</u>	<u>1,153,544</u>	<u>6,884</u>	<u>296,051</u>
Liabilities and fund balances (deficits)								
Liabilities:								
Accounts payable	\$ 1,000	\$ -	\$ -	\$ -	\$ 3,521	\$ 100	\$ -	\$ -
Accrued wages	602	-	-	-	5,812	12,121	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	674,333	-	-
Total liabilities	<u>1,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,333</u>	<u>686,554</u>	<u>-</u>	<u>-</u>
Fund balances (deficits):								
Unreserved, reported in:								
Special revenue funds	121,249	9,223	1,957	177,886	153,406	466,990	6,884	296,051
Capital projects fund	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>121,249</u>	<u>9,223</u>	<u>1,957</u>	<u>177,886</u>	<u>153,406</u>	<u>466,990</u>	<u>6,884</u>	<u>296,051</u>
Total liabilities and fund balances (deficits)	<u>\$ 122,851</u>	<u>\$ 9,223</u>	<u>\$ 1,957</u>	<u>\$ 177,886</u>	<u>\$ 162,739</u>	<u>\$ 1,153,544</u>	<u>\$ 6,884</u>	<u>\$ 296,051</u>

Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Band Shell	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ 36,719	\$ 178	\$ 8,749	\$ -	\$ 8,430	\$ 5,380,436	\$ 1,110,625	\$ 7,647,728
-	-	-	-	-	-	-	334
-	-	-	-	-	-	-	678,168
-	-	-	-	-	-	829,224	979,224
-	-	7,872	-	-	-	-	7,914
<u>36,719</u>	<u>178</u>	<u>16,621</u>	<u>-</u>	<u>8,430</u>	<u>5,380,436</u>	<u>1,939,849</u>	<u>9,313,368</u>
\$ 4,004	\$ -	\$ 1,289	\$ -	\$ 1,422	\$ -	\$ -	\$ 11,336
-	-	-	-	-	-	-	18,535
-	-	6,734	-	-	-	-	6,734
-	-	-	-	-	-	829,224	1,503,557
<u>4,004</u>	<u>-</u>	<u>8,023</u>	<u>-</u>	<u>1,422</u>	<u>-</u>	<u>829,224</u>	<u>1,540,162</u>
32,715	178	8,598	-	7,008	5,380,436	-	6,662,581
-	-	-	-	-	-	1,110,625	1,110,625
<u>32,715</u>	<u>178</u>	<u>8,598</u>	<u>0</u>	<u>7,008</u>	<u>5,380,436</u>	<u>1,110,625</u>	<u>7,773,206</u>
<u>\$ 36,719</u>	<u>\$ 178</u>	<u>\$ 16,621</u>	<u>\$ 0</u>	<u>\$ 8,430</u>	<u>\$ 5,380,436</u>	<u>\$ 1,939,849</u>	<u>\$ 9,313,368</u>

City of Ankeny, Iowa

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue							
	Hotel/Motel Tax	Hawkeye Park	Police Gift	Police Seizure	Economic Development	Police/Fire Pension	Library Gift	Park Dedication
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,130	\$ -	\$ -
Other taxes and assessments	-	-	-	-	-	12,006	-	-
Intergovernmental	-	810	-	23,262	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Use of money and property	-	323	53	6,560	-	26,473	207	10,508
Miscellaneous	350	-	500	6,063	150,421	-	2,950	-
Total revenues	350	1,133	553	35,885	150,421	655,609	3,157	10,508
Expenditures:								
Current operating:								
Public safety	-	-	257	32,819	-	690,814	-	-
Culture and recreation	488,097	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	369,030	-	-	-
Total expenditures	488,097	-	257	32,819	369,030	690,814	-	-
Excess (deficiency) of revenues over expenditures	(487,747)	1,133	296	3,066	(218,609)	(35,205)	3,157	10,508
Other financing (uses):								
Transfers in	632,990	-	-	-	375,000	-	-	-
Transfers out	(168,800)	-	-	-	-	-	-	-
Total other financing sources (uses)	464,190	-	-	-	375,000	-	-	-
Net change in fund balances	(23,557)	1,133	296	3,066	156,391	(35,205)	3,157	10,508
Fund balances (deficits), beginning	144,806	8,090	1,661	174,820	(2,985)	502,195	3,727	285,543
Fund balances (deficits), ending	\$ 121,249	\$ 9,223	\$ 1,957	\$ 177,886	\$ 153,406	\$ 466,990	\$ 6,884	\$ 296,051

Sports Complex Foundation	Ankeny Garden Club	Recreation Events	Band Shell	Keep Ankeny Beautiful	Civic	Capital Project Special Assessments	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,130
-	-	-	-	-	-	244,675	256,681
10,000	-	-	-	-	-	-	34,072
450	-	5,257	-	-	-	-	5,707
1,568	10	-	-	1,607	317	-	47,626
178,307	1,000	22,500	1,000	-	5,403,728	-	5,766,819
190,325	1,010	27,757	1,000	1,607	5,404,045	244,675	6,728,035
-	-	-	-	-	-	-	723,890
265,726	1,082	26,887	-	-	-	-	781,792
-	-	-	-	-	-	131,305	131,305
-	-	-	-	3,016	63,007	-	435,053
265,726	1,082	26,887	-	3,016	63,007	131,305	2,072,040
(75,401)	(72)	870	1,000	(1,409)	5,341,038	113,370	4,655,995
-	-	-	-	-	-	-	1,007,990
-	-	-	(1,000)	-	-	(1,000,000)	(1,169,800)
-	-	-	(1,000)	-	-	(1,000,000)	(161,810)
(75,401)	(72)	870	-	(1,409)	5,341,038	(886,630)	4,494,185
108,116	250	7,728	-	8,417	39,398	1,997,255	3,279,021
\$ 32,715	\$ 178	\$ 8,598	\$ -	\$ 7,008	\$ 5,380,436	\$ 1,110,625	\$ 7,773,206

Internal Service Funds

Internal service funds are used to finance and account for goods or services provided by one department or agency of the City to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

Central Garage Fund - Accounts for the operations of a central vehicle maintenance garage. All costs incurred for vehicle maintenance and operations are charged to departments on a cost reimbursement basis.

Risk Management Fund – Accounts for the City's property and liability insurance coverage and other related activities. Departments are charged based on relative impact to the City's cost of coverage.

Equipment Reserve Fund - Accounts for the internal financing activities for capital equipment to the other City funds.

Economic Development Revolving Fund - Accounts for the internal financing activities for economic development incentives to other City funds.

Health Insurance Fund - Accounts for premiums, claims, and administration of the employee health insurance plan. Costs are spread to departments in the form of employee premiums that are paid by each department on a monthly basis.

City of Ankeny, Iowa

Combining Statement of Net Assets
Internal Service Funds
June 30, 2008

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 27,616	\$ 240,150	\$ (19,871)	\$ 1,000,867	\$ 2,522,408	\$ 3,771,170
Investments	-	-	300,000	-	-	300,000
Receivables:						
Interest	-	-	6,113	-	-	6,113
Accounts	4,081	1,067	-	-	418	5,566
Intergovernmental	-	-	-	-	-	0
Prepaid expenses	-	77,296	-	-	-	77,296
Inventory	60,428	-	-	-	-	60,428
Due from other funds	-	-	608,404	-	-	608,404
Total current assets	92,125	318,513	894,646	1,000,867	2,522,826	4,828,977
Noncurrent assets:						
Advances to other funds	-	-	1,208,669	-	-	1,208,669
Capital Asset						
Depreciable assets, net of accumulated depreciation	63,610	-	-	-	-	63,610
Total capital assets	63,610	-	-	-	-	63,610
Total noncurrent assets	63,610	-	1,208,669	-	-	1,272,279
Total assets	\$ 155,735	\$ 318,513	\$ 2,103,315	\$ 1,000,867	\$ 2,522,826	\$ 6,101,256
Liabilities and Net Assets						
Liabilities:						
Current liabilities:						
Accounts payable	\$ 50,477	\$ 7,676	\$ -	\$ -	\$ 8,630	\$ 66,783
Accrued wages	4,409	-	-	-	-	4,409
Claims payable	-	-	-	-	143,017	143,017
Due to other funds	-	-	2,365	-	-	2,365
Compensated absences payable	646	-	-	-	-	646
Total current liabilities	55,532	7,676	2,365	-	151,647	217,220
Noncurrent liabilities:						
Compensated absences payable	5,377	-	-	-	0	5,377
Total liabilities	\$ 60,909	\$ 7,676	\$ 2,365	\$ -	\$ 151,647	\$ 222,597
Net Assets:						
Unrestricted	\$ 94,826	\$ 310,837	\$ 2,100,950	\$ 1,000,867	\$ 2,371,179	\$ 5,878,659
Total net assets	94,826	310,837	2,100,950	1,000,867	2,371,179	5,878,659
Total liabilities and net assets	\$ 155,735	\$ 318,513	\$ 2,103,315	\$ 1,000,867	\$ 2,522,826	\$ 6,101,256

City of Ankeny, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2008

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Operating revenues:						
Charges for services	\$ 824,519	\$ 633,266	\$ -	\$ -	\$ 2,152,062	3,609,847
Other	11,005	100,687	-	-	81,147	192,839
Total operating revenues	835,524	733,953	-	-	2,233,209	3,802,686
Operating expenses:						
Personal services	216,729	276,523	-	-	11,197	504,449
Contractual services	12,176	388,471	-	-	1,968,545	2,369,192
Operating supplies	603,072	29,692	-	-	-	632,764
Depreciation	5,983	-	-	-	-	5,983
Total operating expenses	837,960	694,686	-	-	1,979,742	3,512,388
Operating income (loss)	(2,436)	39,267	-	-	253,467	290,298
Nonoperating revenues (expenses):						
Interest earnings	-	-	83,520	867	89,694	174,081
Net income (loss) before transfers	(2,436)	39,267	83,520	867	343,161	464,379
Transfers in	-	-	-	1,000,000	-	1,000,000
Change in net assets	(2,436)	39,267	83,520	1,000,867	343,161	1,464,379
Total net assets, beginning	97,262	271,570	2,017,430	-	2,028,018	4,414,280
Total net assets, ending	\$ 94,826	\$ 310,837	2,100,950	1,000,867	2,371,179	5,878,659

City of Ankeny, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2008

	Central Garage	Risk Management	Equipment Reserve	Economic Development Revolving	Health Insurance	Total
Cash flows from operating activities:						
Cash received from customers	\$ 856,141	\$ 743,895	-	-	\$ 2,299,414	\$ 3,899,450
Payments to suppliers	(596,813)	(788,641)	-	-	(2,024,262)	(3,409,716)
Payments to employees	(209,805)	-	-	-	(3,142)	(212,947)
Net cash provided provided (used) by operating activities	49,523	(44,746)	-	-	272,010	276,787
Cash flows from noncapital financing activities:						
Payments received on interfund accounts	-	-	612,364	-	-	612,364
Loans issued to other funds	-	-	(815,745)	-	-	(815,745)
Transfers from other funds	-	-	-	1,000,000	-	1,000,000
Net cash provided (used) by noncapital financing activities	-	-	(203,381)	1,000,000	-	796,619
Cash flows from capital and related financing activities:						
Purchase of capital assets	(69,593)	-	-	-	-	(69,593)
Cash flows from investing activities:						
Purchase of investments	-	-	-	-	-	-
Interest received	-	-	147,917	867	89,692	238,476
Net cash provided (used) by investing activities	-	-	147,917	867	89,692	238,476
Net increase (decrease) in cash and cash equivalents	(20,070)	(44,746)	(55,464)	1,000,867	361,702	1,242,289
Cash and cash equivalents, beginning	47,686	284,896	35,593	-	2,160,706	2,528,881
Cash and cash equivalents, ending	\$ 27,616	\$ 240,150	\$ (19,871)	\$ 1,000,867	\$ 2,522,408	\$ 3,771,170
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (2,436)	\$ 39,267	\$ -	\$ -	\$ 253,467	\$ 290,298
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	5,983	-	-	-	-	5,983
Changes in assets and liabilities:						
Receivables, net	20,618	9,941	-	-	66,206	96,765
Prepaid expenses	-	(8,898)	-	-	-	(8,898)
Inventory	(7,422)	-	-	-	-	(7,422)
Accounts and other payables	27,954	(85,056)	-	-	8,056	(49,046)
Claims payable	4,826	-	-	-	(55,719)	(50,893)
Net cash provided (used) by operating activities	\$ 49,523	\$ (44,746)	\$ -	\$ -	\$ 272,010	\$ 276,787
Noncash investing activities:						
Net change in unrealized gain (loss) on investments	\$ -	\$ -	\$ (48)	\$ -	\$ -	\$ (48)

Agency Funds

Agency funds are used to account for assets held by the City in a trustee capacity as an agent for individuals, private organizations and other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Arts Council Fund- Accounts for funds being held on behalf of the Arts Council.

Ankeny Foundation - Accounts for funds being held for the Ankeny Foundation, which is a private foundation created to benefit the City and its residents.

City of Ankeny, Iowa

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2008

	<u>Arts Council</u>	<u>Ankeny Foundation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 87,022	\$ 10,620	\$ 97,642
Receivables, interest	210	-	210
Total assets	<u>\$ 87,232</u>	<u></u>	<u>\$ 97,852</u>
Liabilities:			
Monies held for other agencies	<u>\$ 87,232</u>	<u>\$ 10,620</u>	<u>\$ 97,852</u>

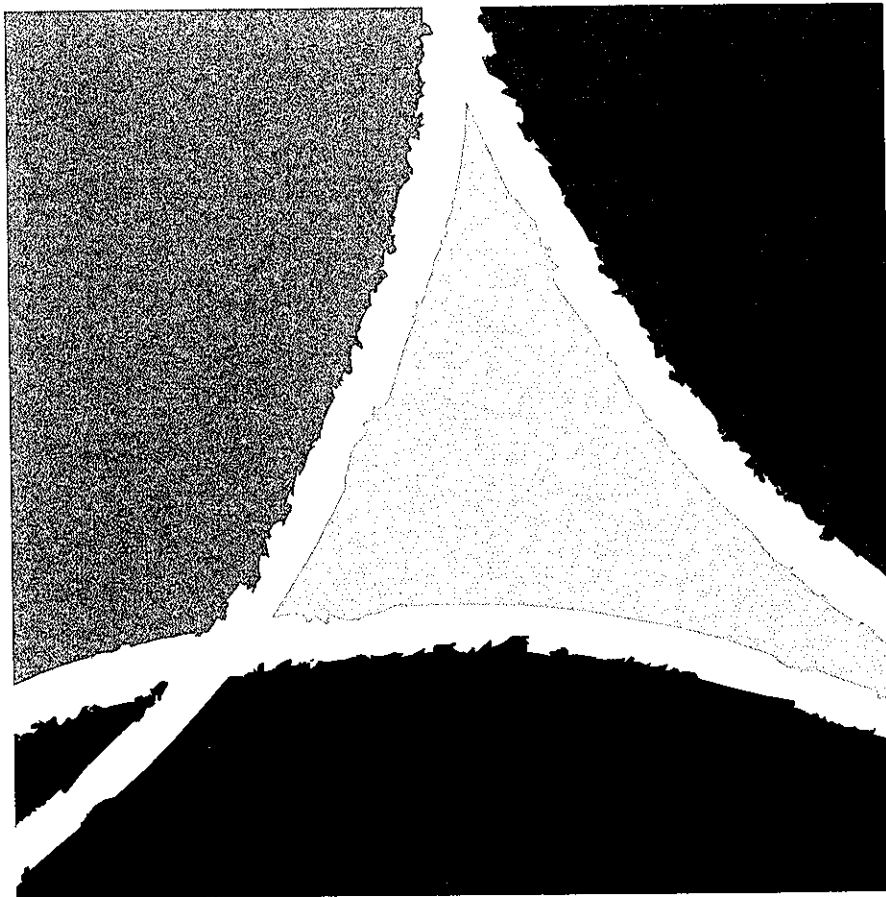
City of Ankeny, Iowa

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Arts Council</u>				
Assets:				
Cash and cash equivalents	\$ 83,175	\$ 3,847	\$ 0	\$ 87,022
Receivables, interest	169	210	169	210
Total assets	<u>\$ 83,344</u>	<u>\$ 4,057</u>	<u>\$ 169</u>	<u>\$ 87,232</u>
Liabilities:				
Monies held for other agencies	<u>\$ 83,344</u>	<u>\$ 4,057</u>	<u>\$ 169</u>	<u>\$ 87,232</u>
<u>Ankeny Foundation</u>				
Assets:				
Cash and cash equivalents	<u>\$ 5,218</u>	<u>\$ 5,646</u>	<u>\$ 244</u>	<u>\$ 10,620</u>
Liabilities:				
Monies held for other agencies	<u>\$ 5,218</u>	<u>\$ 5,646</u>	<u>\$ 244</u>	<u>\$ 10,620</u>
<u>Total</u>				
Assets:				
Cash and cash equivalents	\$ 88,393	\$ 9,493	\$ 244	\$ 97,642
Receivables, interest	169	210	169	210
Total assets	<u>\$ 88,562</u>	<u>\$ 9,703</u>	<u>\$ 413</u>	<u>\$ 97,852</u>
Liabilities:				
Monies held for other agencies	<u>\$ 88,562</u>	<u>\$ 9,703</u>	<u>\$ 413</u>	<u>\$ 97,852</u>

City of Ankeny, Iowa
Statement of Cash Flows
Discretely Presented Component unit
For the Year Ended June 30, 2008

	<u>Ankeny Arts Council</u>
Cash flows from operating activities:	
Cash received from customers	\$ 78,551
Payments to suppliers	(84,170)
Payments to employees	<u>(24,783)</u>
Net cash used in operating activities	<u>(30,402)</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(755)
Cash flows from investing activities:	
Interest received	<u>581</u>
Net increase in cash and cash equivalents	(30,576)
Cash and cash equivalents, beginning	<u>60,882</u>
Cash and cash equivalents, ending	<u><u>\$ 30,306</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (34,029)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,525
Changes in assets and liabilities:	
Prepaid expenses	1,058
Accounts and other payables	<u>(1,956)</u>
Net cash used in operating activities	<u><u>\$ (30,402)</u></u>



Capital Assets Used in the Operation of Governmental Funds

City of Ankeny, Iowa

**Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source (1)
June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets:		
Land	\$ 5,935,152	\$ 5,336,572
Other improvements	11,165,107	10,725,131
Infrastructure	95,942,412	89,291,269
Buildings	16,477,856	16,384,956
Machinery and equipment	11,036,468	10,301,117
Furniture and fixtures	1,219,949	1,219,949
Construction in progress	<u>29,317,662</u>	<u>10,197,807</u>
Total governmental funds capital assets	<u>\$ 171,094,606</u>	<u>\$ 143,456,801</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 19,687,981	\$ 19,164,861
Special revenue funds	5,199,853	4,741,304
Capital project funds	76,748,324	56,358,080
Local, state, and federal grants and donations	<u>69,458,448</u>	<u>63,192,556</u>
Total investment in governmental funds capital assets by source	<u>\$ 171,094,606</u>	<u>\$ 143,456,801</u>

(1) This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Ankeny, Iowa

Schedule of General Fixed Assets - By Function and Activity (1)
June 30, 2008

	<u>Land</u>	<u>Other Improvements</u>	<u>Infrastructure</u>
Public safety:			
Police	\$ 29,212	\$ 0	\$ 0
Fire and ambulance	669,620	0	0
Code enforcement	<u>0</u>	<u>0</u>	<u>0</u>
Total public safety	<u>698,832</u>	<u>0</u>	<u>0</u>
Health and social services:			
Mosquito control	0	0	0
Public relations	<u>0</u>	<u>0</u>	<u>0</u>
Total health and social services	<u>0</u>	<u>0</u>	<u>0</u>
Culture and recreation:			
Library	14,361	94,657	0
Parks and recreation	<u>3,181,581</u>	<u>10,726,339</u>	<u>122,023</u>
Total culture and recreation	<u>3,195,942</u>	<u>10,820,996</u>	<u>122,023</u>
Public works:			
Public works	<u>1,940,847</u>	<u>290,870</u>	<u>95,820,389</u>
Community and economic development:			
Planning and zoning	<u>0</u>	<u>0</u>	<u>0</u>
General government:			
Council and management	<u>99,531</u>	<u>53,241</u>	<u>0</u>
Total general fixed assets	<u>\$ 5,935,152</u>	<u>\$ 11,165,107</u>	<u>\$ 95,942,412</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Furniture and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 38,795	\$ 1,417,141	\$ 0	\$ 8,912,739	\$ 10,397,887
1,833,909	3,251,610	48,316	4,309,902	10,113,358
0	126,845	0	0	126,845
<u>1,872,704</u>	<u>4,795,596</u>	<u>48,316</u>	<u>13,222,642</u>	<u>20,638,090</u>
0	34,130	0	0	34,130
0	18,802	0	0	18,802
<u>0</u>	<u>52,932</u>	<u>0</u>	<u>0</u>	<u>52,932</u>
3,149,085	432,863	619,879	0	4,310,845
4,460,603	1,119,675	45,220	4,531,848	24,187,289
<u>7,609,688</u>	<u>1,552,538</u>	<u>665,099</u>	<u>4,531,848</u>	<u>28,498,134</u>
3,551,665	3,529,198	0	11,441,606	116,574,575
<u>0</u>	<u>25,126</u>	<u>0</u>	<u>0</u>	<u>25,126</u>
3,443,799	1,081,078	506,534	121,567	5,305,750
<u>\$ 16,477,856</u>	<u>\$ 11,036,468</u>	<u>\$ 1,219,949</u>	<u>\$ 29,317,662</u>	<u>\$ 171,094,606</u>

City of Ankeny, Iowa

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity (1)
Year Ended June 30, 2008**

	Governmental Funds Capital Assets June 30, 2007	Additions	Deductions	Governmental Funds Capital Assets June 30, 2008
Public safety:				
Police	\$ 3,432,058	\$ 6,978,029	\$ 12,200	\$ 10,397,887
Fire and ambulance	6,082,780	4,071,452	40,874	10,113,358
Code enforcement	126,845	0	0	126,845
Total public safety	<u>9,641,683</u>	<u>11,049,481</u>	<u>53,074</u>	<u>20,638,090</u>
Health & social services:				
Mosquito control	25,420	8,710	0	34,130
Public relations	18,802	0	0	18,802
Total health & social services	<u>44,222</u>	<u>8,710</u>	<u>0</u>	<u>52,932</u>
Culture and recreation:				
Library	4,310,845	0	0	4,310,845
Parks and recreation	22,101,263	2,422,799	336,773	24,187,289
Total culture and recreation	<u>26,412,108</u>	<u>2,422,799</u>	<u>336,773</u>	<u>28,498,134</u>
Public works:				
Public works	102,103,783	14,712,446	241,654	116,574,575
Community & economic development:				
Planning & zoning	25,126	0	0	25,126
General government:				
Council and management	5,229,879	104,506	28,635	5,305,750
Total general fixed assets	<u>\$ 143,456,801</u>	<u>\$ 28,297,941</u>	<u>\$ 660,136</u>	<u>\$ 171,094,606</u>

(1) This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Statistical Section

City of Ankeny, Iowa

Statistical Section
Contents

The statistical section of the City's comprehensive annual financial report represents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain information to help the reader understand how the City's financial performance and well being have changed over time.	91
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	97
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	103
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.	110
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	113

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of Ankeny, Iowa

Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Governmental activities:					
Invested in capital assets, net of related debt	\$ 59,457,512	\$ 65,059,807	\$ 60,796,555	\$ 30,124,884	\$ 20,560,194
Restricted:					
Debt service	3,033,897	953,844	277,845	76,043	101,900
Enabling legislation	417,300	475,654	443,893	344,685	238,968
Restricted by other governments	201,617	550,532	973,642	1,387,052	3,239,386
Donor restrictions	5,438,401	176,481	659,074	111,512	54,897
Unrestricted	8,171,093	6,884,490	7,446,042	4,851,785	387,745
Total governmental activities net assets	<u>76,719,820</u>	<u>74,100,808</u>	<u>70,597,051</u>	<u>36,895,961</u>	<u>24,583,090</u>
Business-type activities:					
Invested in capital assets, net of related debt	77,349,435	71,526,488	69,831,317	57,574,412	53,976,846
Restricted:					
Debt service	1,553,787	1,579,500	1,256,848	950,134	1,419,884
Unrestricted	9,501,662	10,007,638	10,393,160	9,134,709	6,580,474
Total business-type activities net assets	<u>88,404,884</u>	<u>83,113,626</u>	<u>81,481,325</u>	<u>67,659,255</u>	<u>61,977,204</u>
Primary government:					
Invested in capital assets, net of related debt	136,806,947	136,586,295	130,627,872	87,699,296	74,537,040
Restricted:(1)					
Debt service	4,587,684	2,533,344	1,534,693	1,026,177	1,521,784
Enabling legislation	417,300	475,654	443,893	344,685	238,968
Restricted by other governments	201,617	550,532	973,642	1,387,052	3,239,386
Donor restrictions	5,438,401	176,481	659,074	111,512	54,897
Unrestricted	17,672,755	16,892,128	17,839,202	13,986,494	6,968,219
Total primary government net assets	<u>\$ 165,124,704</u>	<u>\$ 157,214,434</u>	<u>\$ 152,078,376</u>	<u>\$ 104,555,216</u>	<u>\$ 86,560,294</u>

(1) Restricted net assets for years prior to fiscal year 2007 are restated to include changes relating to GASB Statement No. 46.

City of Ankeny, Iowa

Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Expenses					
Governmental activities:					
Public safety	\$ 8,765,732	\$ 7,740,691	\$ 7,119,401	\$ 6,563,401	\$ 5,953,448
Health and social services	236,134	115,375	59,113	95,944	212,221
Culture and recreation	5,144,408	4,760,072	4,569,428	4,039,270	3,614,161
Public works	14,066,397	11,685,977	5,383,612	4,065,180	4,462,967
Community and economic development	2,152,310	2,739,944	2,312,740	1,513,129	1,153,503
General government	2,530,968	2,356,261	2,159,580	2,008,601	1,934,620
Capital projects	-	-	-	-	-
Interest on long-term debt	3,633,724	2,652,376	2,208,212	1,762,124	1,624,607
Total governmental activities expenses	36,529,673	32,050,696	23,812,086	20,047,649	18,955,527
Business-type activities:					
Solid waste	479,368	446,051	387,949	277,336	244,886
Water	5,728,375	5,857,555	4,259,984	3,992,676	4,011,420
Sewer	5,321,560	5,000,540	4,701,184	3,999,585	3,333,904
Storm Water	100,140	72,075	19,425	3,500	-
Otter Creek golf course	845,387	1,061,638	1,082,932	1,108,882	1,138,654
Total business-type activities expenses	12,474,830	12,437,859	10,451,474	9,381,979	8,728,864
Total primary government expenses	49,004,503	44,488,555	34,263,560	29,429,628	27,684,391
Program revenues					
Governmental activities:					
Charges for services:					
Public safety	2,006,097	1,768,328	2,233,436	1,771,657	1,526,943
Culture and recreation	897,808	834,055	805,189	650,012	512,236
Other activities	369,195	2,130,411	605,952	1,228,247	1,169,245
Operating grants and contributions	3,844,341	4,154,440	4,331,282	2,898,819	2,761,838
Capital grants and contributions	5,865,048	4,071,240	11,943,414	8,417,503	5,306,596
Total governmental activities program revenues	12,982,489	12,958,474	19,919,273	14,966,238	11,276,858
Business-type activities:					
Charges for services:					
Water	5,494,332	5,433,073	5,654,906	4,382,184	3,972,892
Sewer	5,926,481	5,641,090	4,795,246	4,221,821	3,490,284
Other activities	920,086	1,319,077	1,355,074	1,233,294	1,202,659
Operating grants and contributions	-	27,930	-	-	-
Capital grants and contributions	7,257,728	1,577,633	12,453,517	5,155,227	4,016,586
Total business-type activities program revenues	19,598,627	13,998,803	24,258,743	14,992,526	12,682,421
Total primary government program revenues	32,581,116	26,957,277	44,178,016	29,958,764	23,959,279
Net (expense) revenue					
Governmental activities	(23,547,184)	(19,092,222)	(3,892,813)	(5,081,411)	(7,678,669)
Business-type activities	7,123,797	1,560,944	13,807,269	5,610,547	3,953,557
Total primary government net (expense) revenue	(16,423,387)	(17,531,278)	9,914,456	529,136	(3,725,112)
General revenues and other changes in net assets					
Governmental activities:					
Taxes:					
Property taxes	20,434,441	18,753,563	16,493,129	15,240,675	13,189,116
Other taxes	1,244,208	1,232,323	1,144,786	1,082,129	1,019,780
Grants and contributions not restricted to specific programs	-	-	-	-	34,664
Interest	2,225,590	2,216,659	1,514,889	778,632	555,465
Other	187,500	183,348	83,898	227,433	368,050
Transfers	2,074,457	210,086	224,000	65,413	266,752
Total governmental activities	26,166,196	22,595,979	19,460,702	17,394,282	15,433,827
Business-type activities:					
Interest	189,703	196,466	184,429	83,974	50,610
Other	52,215	84,977	54,372	52,943	-
Transfers	(2,074,457)	(210,086)	(224,000)	(65,413)	(266,752)
Total business-type activities	(1,832,539)	71,357	14,801	71,504	(216,142)
Total primary government	24,333,657	22,667,336	19,475,503	17,465,786	15,217,685
Changes in net assets					
Governmental activities	2,619,012	3,503,757	15,567,889	12,312,871	7,755,158
Business-type activities	5,291,258	1,632,301	13,822,070	5,682,051	3,737,415
Total primary government changes in net assets	\$ 7,910,270	\$ 5,136,058	\$ 29,389,959	\$ 17,994,922	\$ 11,492,573

City of Ankeny, Iowa

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
General fund:					
Unreserved	\$ 4,715,926	\$ 4,596,769	\$ 3,760,757	\$ 2,953,483	\$ 2,356,907
Reserved	-	-	-	-	-
Total general fund	<u>\$ 4,715,926</u>	<u>\$ 4,596,769</u>	<u>\$ 3,760,757</u>	<u>\$ 2,953,483</u>	<u>\$ 2,356,907</u>
All other governmental funds:					
Reserved	\$ 3,033,897	\$ 953,844	\$ 277,845	\$ 76,043	\$ 101,900
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Special revenue funds	6,032,229	1,607,459	2,659,219	2,520,269	4,269,476
Capital project funds	31,263,350	38,064,035	24,464,550	30,077,141	27,144,527
Total all other governmental funds	<u>\$ 40,329,476</u>	<u>\$ 40,625,338</u>	<u>\$ 27,401,614</u>	<u>\$ 32,673,453</u>	<u>\$ 31,515,903</u>

2003	2002	2001	2000	1999
\$ 2,416,299	\$ 2,459,460	\$ 2,935,008	\$ 2,907,826	\$ 3,257,393
-	-	-	-	-
<u>\$ 2,416,299</u>	<u>\$ 2,459,460</u>	<u>\$ 2,935,008</u>	<u>\$ 2,907,826</u>	<u>\$ 3,257,393</u>
\$ 1,318,683	\$ 1,212,255	\$ 160,531	\$ 206,814	\$ 260,074
-	-	2,212,135	2,119,763	2,057,612
3,498,560	2,715,230	2,070,536	1,870,278	1,406,141
15,596,747	18,535,367	11,213,240	11,987,493	12,077,505
<u>\$ 20,413,990</u>	<u>\$ 22,462,852</u>	<u>\$15,656,442</u>	<u>\$16,184,348</u>	<u>\$15,801,332</u>

City of Ankeny, Iowa

Changes in Fund Balance
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Revenues:					
Property taxes	\$ 20,114,119	\$ 18,794,111	\$ 16,514,753	\$ 15,165,093	\$ 13,269,314
Other taxes and assessments	1,620,228	1,531,956	1,443,778	1,769,012	1,140,340
Licenses and permits	873,022	1,101,473	1,494,933	1,157,466	878,768
Intergovernmental	4,132,078	7,808,298	4,723,686	5,224,090	2,828,942
Charges for services	1,684,319	1,378,617	1,125,569	982,051	1,371,140
Use of money and property	2,402,016	2,299,353	1,593,597	884,232	539,640
Miscellaneous	6,264,216	730,474	1,945,994	618,522	562,229
Total revenues	37,089,998	33,644,282	28,842,310	25,800,466	20,590,373
Expenditures:					
Current operating:					
Community protection	-	-	-	-	-
Human development	-	-	-	-	-
Home and community environment	-	-	-	-	-
Policy and administration	-	-	-	-	-
Public safety	8,762,449	8,017,872	7,245,549	6,601,587	5,729,060
Health and social services	241,908	106,535	66,687	88,979	103,791
Culture and recreation	4,680,218	4,430,748	3,535,146	3,121,200	2,978,587
Public works	4,469,736	3,770,657	3,354,035	3,170,707	2,976,702
Community and economic development	2,179,236	2,767,813	2,323,059	1,522,821	1,144,920
General government	2,357,372	2,273,884	2,153,257	1,779,191	1,567,450
Debt service:					
Principal	5,715,988	5,580,852	4,977,420	4,772,488	4,482,064
Interest and other charges	2,404,875	1,624,323	1,586,200	1,237,928	1,425,510
Capital projects	47,603,415	32,331,256	25,211,102	28,328,883	8,843,011
Total expenditures	78,415,197	60,903,940	50,452,455	50,623,784	29,251,095
Excess (deficiency) of revenues over expenditures	(41,325,199)	(27,259,658)	(21,610,145)	(24,823,318)	(8,660,722)
Other financing sources (uses):					
Issuance of long-term debt	40,072,037	41,291,341	16,890,189	26,452,303	23,292,618
Issuance of bond anticipation notes	-	-	-	-	-
Premium (discount) on long-term debt	-	17,967	31,391	59,728	22,991
Bond issuance costs	-	-	-	-	-
Project note repayments	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(3,747,618)
Sale of capital assets	-	-	-	-	28,500
Transfers in	8,218,219	5,467,030	5,741,353	5,232,637	3,203,149
Transfers out	(7,143,762)	(5,456,944)	(5,517,353)	(5,167,224)	(3,096,397)
Total other financing sources (uses)	41,146,494	41,319,394	17,145,580	26,577,444	19,703,243
Net change in fund balances	\$ (178,705)	\$ 14,059,736	\$ (4,464,565)	\$ 1,754,126	\$ 11,042,521
Debt service as a percentage of noncapital expenditures	16.31%	15.26%	20.31%	16.20%	27.61%

- (1) The State of Iowa changed the financial reporting programs, starting in fiscal year 2003, from four program to six programs for the General and Special Revenue funds and created an additional program for the Debt Service Fund.
- (2) The City started issuing a Comprehensive Annual Financial Report using guidelines issued by the Government Finance Officers Association in fiscal year 2002.

2003 (1)	2002 (2)	2001	2000	1999
\$ 12,531,302	\$ 11,472,633	\$ 11,341,607	\$ 9,910,609	\$ 8,944,979
983,094	883,587	-	-	-
640,065	523,578	-	-	-
4,192,528	2,995,346	2,677,054	2,572,849	8,179,294
743,296	689,834	1,095,078	1,006,330	996,270
661,942	949,636	-	-	-
854,883	641,050	1,729,753	2,153,793	1,961,955
20,607,110	18,155,664	16,843,492	15,643,581	20,082,498
-	5,072,845	4,787,296	4,147,879	5,000,852
-	2,668,753	5,854,353	5,028,946	2,745,124
-	3,261,511	8,617,844	8,574,147	10,165,141
-	1,908,354	2,110,058	2,020,032	1,796,599
5,541,328	-	-	-	-
102,907	-	-	-	-
2,584,357	-	-	-	-
2,689,826	-	-	-	-
1,385,355	-	-	-	-
1,484,543	-	-	-	-
6,249,082	3,318,400	-	-	-
1,421,237	1,424,931	-	-	-
13,001,264	7,308,489	-	-	-
34,459,899	24,963,283	21,369,551	19,771,004	19,707,716
(13,852,789)	(6,807,619)	(4,526,059)	(4,127,423)	374,782
11,196,310	10,828,813	2,886,206	5,281,582	-
-	-	-	3,833,460	2,840,035
(23,544)	-	4,044,935	-	-
-	(89,001)	(20,494)	(31,317)	-
-	-	(2,840,000)	(5,190,000)	-
-	-	-	-	-
-	-	-	-	-
3,116,873	2,299,314	-	267,147	2,202
(2,528,873)	(2,075,314)	(45,312)	-	-
11,760,766	10,963,812	4,025,335	4,160,872	2,842,237
\$ (2,092,023)	\$ 4,156,193	\$ (500,724)	\$ 33,449	\$ 3,217,019
24.49%	26.87%	27.52%	29.83%	29.19%

City of Ankeny, Iowa

Actual Valuation and Taxable Valuation of Property (1)
Last Ten Fiscal Years

Actual Valuation

	As of January 1:				
	2006	2005	2004	2003	2002
Residential	\$ 2,190,161,260	\$ 1,917,419,643	\$ 1,604,885,354	\$ 1,429,751,281	\$ 1,194,083,777
Agricultural	2,582,650	2,085,460	2,215,860	2,365,790	1,868,510
Commercial	472,035,700	435,008,427	373,093,369	353,213,009	312,560,663
Industrial	60,236,410	58,750,920	57,205,307	64,404,580	65,377,160
Personal/Real estate	-	-	-	-	-
Utilities	41,807,652	40,205,954	35,528,211	33,382,236	34,804,554
Gross valuation	2,766,823,672	2,453,470,404	2,072,928,101	1,883,116,896	1,608,694,664
Less: Military exemption	3,153,956	2,946,532	2,753,924	2,598,646	2,546,590
Net valuation	2,763,669,716	2,450,523,872	2,070,174,177	1,880,518,250	1,606,148,074
Incremental value	139,675,000	137,270,000	122,335,000	110,200,000	103,538,880
Actual valuation	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250	\$ 1,709,686,954
Percent change	12.194%	18.029%	10.137%	16.438%	7.303%

Taxable Valuation

	As of January 1:				
	2006	2005	2004	2003	2002
Residential	\$ 985,221,470	\$ 870,781,373	\$ 759,608,294	\$ 685,089,321	\$ 606,050,267
Agricultural	2,582,650	2,085,460	2,215,860	2,365,790	1,868,510
Commercial	472,035,700	430,373,567	373,093,369	349,881,059	312,560,663
Industrial	60,236,410	58,750,920	57,205,307	64,404,580	65,377,160
Personal/Real estate	-	-	-	-	-
Utilities	33,262,313	35,229,249	32,955,571	34,094,357	34,804,554
Gross valuation	1,553,338,543	1,397,220,569	1,225,078,401	1,135,835,107	1,020,661,154
Less: Military exemption	3,153,956	2,946,532	2,753,924	2,598,646	2,546,590
Net valuation	1,550,184,587	1,394,274,037	1,222,324,477	1,133,236,461	1,018,114,564
Incremental value	139,675,000	137,270,000	122,335,000	110,200,000	103,538,880
Taxable valuation	\$ 1,689,859,587	\$ 1,531,544,037	\$ 1,344,659,477	\$ 1,243,436,461	\$ 1,121,653,444
Percent change	10.337%	13.898%	8.141%	10.857%	7.031%

Total Direct Tax Rate

City of Ankeny	\$ 10.28956	\$ 10.33956	\$ 10.38956	\$ 10.38956	\$ 9.90126
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(1) Polk County Auditor

2001	2000	1999	1998	1997
\$ 1,096,157,464	\$ 956,289,076	\$ 878,464,603	\$ 770,427,962	\$ 719,943,425
2,121,890	2,319,970	2,049,390	2,024,620	2,019,050
295,414,970	261,639,561	244,519,922	217,304,616	206,382,562
70,658,123	62,006,052	66,316,346	60,435,359	43,296,286
2,776,335	6,890,585	16,088,816	21,722,201	24,773,412
33,370,578	32,931,927	33,033,352	35,099,578	39,141,373
1,500,499,360	1,322,077,171	1,240,472,429	1,107,014,336	1,035,556,108
2,439,084	2,385,376	2,265,922	2,178,878	2,132,578
1,498,060,276	1,319,691,795	1,238,206,507	1,104,835,458	1,033,423,530
95,265,000	86,952,270	73,744,335	53,915,000	64,735,000
\$ 1,593,325,276	\$ 1,406,644,065	\$ 1,311,950,842	\$ 1,158,750,458	\$ 1,098,158,530
13.271%	7.218%	13.221%	5.518%	15.044%

2001	2000	1999	1998	1997
\$ 559,204,394	\$ 532,499,666	\$ 475,549,103	\$ 430,240,912	\$ 391,204,275
2,121,890	2,319,970	1,974,350	2,024,620	1,946,670
287,019,740	261,639,561	240,814,609	217,304,616	199,969,832
70,658,123	62,006,052	66,316,346	60,435,359	43,296,286
2,776,335	6,890,585	16,088,816	21,722,201	24,773,412
33,363,552	32,931,927	33,030,377	35,099,578	39,134,272
955,144,034	898,287,761	833,773,601	766,827,286	700,324,747
2,439,084	2,385,376	2,265,922	2,178,878	2,132,578
952,704,950	895,902,385	831,507,679	764,648,408	698,192,169
95,265,000	86,952,270	73,744,335	53,915,000	64,735,000
\$ 1,047,969,950	\$ 982,854,655	\$ 905,252,014	\$ 818,563,408	\$ 762,927,169
6.625%	8.572%	10.590%	7.292%	9.071%

\$ 9.90126	\$ 9.65126	\$ 9.65126	\$ 9.52084	\$ 9.65126
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City of Ankeny, Iowa

Property Tax Rates - All Direct and Overlapping Governments (1)
Per \$1,000 Taxable Valuation
Last Ten Fiscal Years

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
City of Ankeny	\$ 10.28956	\$ 10.33956	\$ 10.38956	\$ 10.38956	\$ 9.90126	\$ 9.90126
Ankeny Community School District	17.90637	16.70575	16.70201	16.90251	17.10241	17.24845
Polk County	9.84869	9.87773	9.58881	9.64715	9.44511	9.37854
Polk County Assessor	0.31349	0.29738	0.35437	0.31745	0.31715	0.34363
Des Moines Area Community College	0.60276	0.68688	0.68408	0.59856	0.58184	0.54584
Des Moines Area Regional Transit	0.10939	0.08789	N/A	N/A	N/A	N/A
State of Iowa	0.00350	0.00400	0.00400	0.00400	0.00400	0.00400
Total Consolidated Tax Levy Rate	\$ 39.07376	\$ 37.99919	\$ 37.72283	\$ 37.85923	\$ 37.35177	\$ 37.42172
Saydel Community School District	\$ 13.62992	\$ 13.38621	\$ 13.12949	\$ 14.67175	N/A	N/A
Total Consolidated Tax Levy Rate (2)	\$ 34.79731	\$ 34.67965	\$ 34.15031	\$ 35.62847	N/A	N/A
North Polk Community School District	\$ 17.46387	N/A	N/A	N/A	N/A	N/A
Total Consolidated Tax Levy Rate (3)	\$ 38.63126	N/A	N/A	N/A	N/A	N/A

(1) Polk County Auditor

(2) As of fiscal year 2005, the City's taxing jurisdiction also overlaps the Saydel Community School District.

(3) As of fiscal year 2008, the City's taxing jurisdiction also overlaps the North Polk Community School District.

	2002		2001		2000		1999
\$	9.65126	\$	9.65126	\$	9.52084	\$	9.65126
	17.00682		17.09290		17.09029		17.50000
	9.29570		8.93917		8.97280		8.95609
	0.34318		0.31454		0.30594		0.33081
	0.54454		0.54506		0.52451		0.50551
	N/A		N/A		N/A		N/A
	0.00500		0.00500		0.00500		0.00500
\$	36.84650	\$	36.54793	\$	36.41938	\$	36.94867

	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

City of Ankeny, Iowa

Principal Property Taxpayers (1)
Current Year and Nine Years Ago

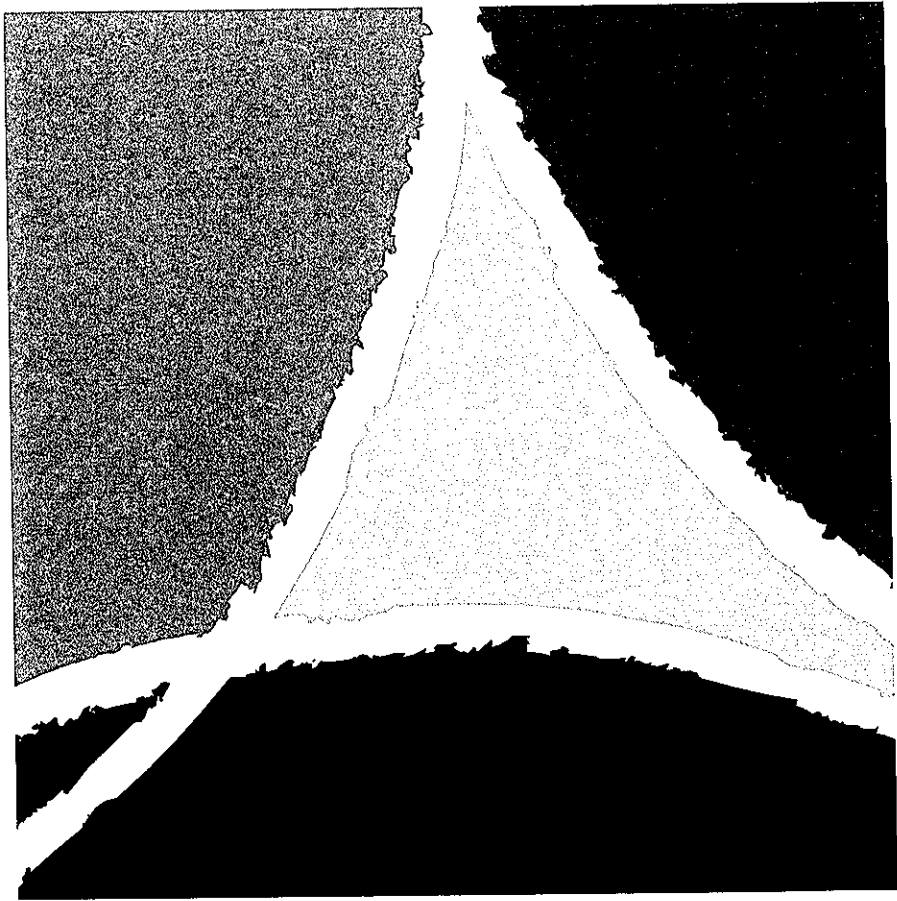
Taxpayer	Type of Business	Fiscal Year 2008			Fiscal Year 1999		
		January 1, 2006 Taxable Valuation	Rank	Percent of Total Taxable Value	January 1, 1997 Taxable Valuation	Rank	Percent of Total Taxable Value
John Deere	Farm implements	\$ 25,867,350	1	1.53%	\$ 44,138,173	1	6.31%
Tone Brothers, Inc.	Spice manufacturing/distribution	22,632,000	2	1.34%	28,171,356	3	4.03%
Casey's General Stores	Corporate headquarters/distribution	20,580,300	3	1.22%	18,276,038	4	2.61%
Denny Elwell Family	Real estate development	17,662,020	4	1.05%	11,642,840	5	1.66%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	16,974,280	5	1.00%	9,323,987	6	1.33%
Wal-Mart	Retail merchandise/grocery	14,796,000	6	0.88%			
Signature Properties, LLC	Commercial	14,496,000	7	0.86%			
Karl Chevrolet	Automobile sales	12,735,000	8	0.75%			
Target Corporation	Retail merchandise/grocery	12,301,000	9	0.73%			
Menards, Inc.	Retail home improvement store	11,716,100	10	0.69%			
MidAmerican Energy	Utility				34,599,901	2	4.95%
Fairco Foods, Inc.	Grocery warehouse				8,008,689	7	1.14%
Sun Communities	Manufactured housing community				6,338,410	8	0.91%
Mill-Pond, Inc.	Retirement community				5,842,930	9	0.84%
Ankeny Housing Association	Real estate development				5,292,340	10	0.76%
		<u>\$ 169,760,050</u>		<u>10.05%</u>	<u>\$ 171,634,664</u>		<u>24.54%</u>

(1) Polk County Assessor

City of Ankeny, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Property Tax Levy	Current Property Tax Collections	Percent of Property Taxes Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
1999	\$ 8,378,416	\$ 8,431,916	100.64%	\$ 5,378	\$ 8,437,294	100.70%
2000	9,002,193	9,295,673	103.26%	17,631	9,313,304	103.46%
2001	10,399,032	10,682,335	102.72%	82	10,682,417	102.73%
2002	11,435,497	11,471,720	100.32%	913	11,472,633	100.32%
2003	12,619,154	12,528,042	99.28%	142	12,528,184	99.28%
2004	13,554,417	13,540,966	99.90%	2,680	13,543,646	99.92%
2005	15,248,211	15,163,074	99.44%	2,019	15,165,093	99.45%
2006	16,529,809	16,512,978	99.90%	5	16,512,983	99.90%
2007	18,815,615	18,791,243	99.87%	100	18,791,343	99.87%
2008	20,427,095	20,303,603	99.40%	634	20,304,237	99.40%



City of Ankeny, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Total Debt Outstanding to Per Capita Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Revenue Notes	General Obligation Bonds	Capital Loan Notes	Revenue Bonds			
1999	\$ 24,143,566	\$ 8,030,000	\$ 2,000,000	\$ 1,886,434	\$ 6,554,000	\$ 3,665,000	\$ 46,279,000	N/A	2,154
2000	27,066,162	6,670,000	1,775,000	1,733,838	6,435,000	3,055,000	46,735,000	N/A	1,723
2001	27,509,254	7,880,000	1,525,000	1,575,746	6,311,000	2,415,000	47,216,000	N/A	1,741
2002	30,759,627	8,895,000	1,250,000	1,605,373	6,975,380	1,865,000	51,350,380	N/A	1,894
2003	35,966,918	-	990,000	1,878,082	6,848,000	1,245,000	46,928,000	N/A	1,731
2004	40,509,472	11,125,000	675,000	1,730,528	6,632,000	615,000	61,287,000	0.0560%	2,260
2005	41,219,289	18,230,000	345,000	2,710,711	6,411,000	-	68,916,000	0.0533%	2,541
2006	41,852,058	24,505,000	-	2,892,942	5,533,000	3,890,000	78,673,000	0.0480%	2,176
2007	46,062,547	43,125,000	-	5,822,453	4,747,000	7,640,000	107,397,000	0.0369%	2,970
2008	74,437,094	37,200,000	-	5,777,906	3,954,000	7,360,000	128,729,000	0.0319%	3,560

(1) Per capita calculations based on data from U.S. Census Bureau

City of Ankeny, Iowa

Ratio of Net General Obligation Bonded Debt to Actual Property Valuation
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Actual Property Valuation (1)	General Obligation Bonded Debt (2)	Less Debt Service Fund	Net	Percentage of Actual Property Valuation	Per Capita (3)
1999	\$ 1,098,158,530	\$ 36,060,000	\$ 260,074	\$ 35,799,926	3.26%	\$ 1,666
2000	1,158,750,458	37,245,000	206,814	37,038,186	3.20%	1,366
2001	1,311,950,842	38,490,000	160,531	38,329,469	2.92%	1,413
2002	1,406,644,065	42,510,000	122,255	42,387,745	3.01%	1,563
2003	1,593,335,556	38,835,000	228,683	38,606,317	2.42%	1,424
2004	1,709,686,954	54,040,000	101,900	53,938,100	3.15%	1,989
2005	1,990,718,250	62,505,000	76,043	62,428,957	3.14%	2,302
2006	2,192,509,177	69,250,000	277,845	68,972,155	3.15%	1,907
2007	2,587,793,872	95,010,000	953,844	94,056,156	3.63%	2,601
2008	2,903,344,716	117,415,000	3,033,897	114,381,103	3.94%	3,163

(1) Polk County Auditor

(2) Includes Tax Increment Revenue Capital Loan Notes and Bond Anticipation Notes.

(3) Per capita calculations based on data from U.S. Census Bureau

City of Ankeny, Iowa

Computation of Direct and Overlapping Bonded Debt
General Obligation Bonded Debt
June 30, 2008

	General Obligation Bonded Debt June 30, 2008	Percent Applicable to City (1)	Direct and Overlapping General Obligation Bonded Debt	Underlying General Obligation Bonded Debt
City of Ankeny	\$ 114,381,103 (2)	100.00%	\$ 114,381,103	\$ -
Polk County	255,423,000	10.16%	25,950,977	229,472,023
Des Moines Area Community College	69,505,000	5.77%	4,010,439	65,494,561
North Polk Community School District	3,260,000	0.09%	2,934	3,257,066
Saydel Community School District	4,025,000	0.44%	17,710	4,007,290
Ankeny Community School District	45,150,000	90.13%	40,693,695	4,456,305
Total direct and overlapping bonded debt	<u>\$ 491,744,103</u>		<u>\$ 185,056,858</u>	<u>\$ 306,687,245</u>

(1) Taxable assessed valuation provided by Polk County Assessors Office used to estimate applicable percentages

(2) See table - Ratio of Net General Obligation Bonded Debt to Actual Property Valuation and Net Obligation Bonded Debt Per Capita

City of Ankeny, Iowa

Computation of Legal Debt Margin
Last Ten Fiscal Years

	2008	2007	2006	2005
Actual property valuation (1)	\$ 2,903,344,716	\$ 2,587,793,872	\$ 2,192,509,177	\$ 1,990,718,250
Debt limit - 5% of assessed valuation	145,167,236	129,389,694	109,625,459	99,535,913
Amount of debt applicable to limit:				
General obligation bonds	80,215,000	51,885,000	44,745,000	43,930,000
Bond anticipation notes	37,200,000	43,125,000	24,505,000	18,230,000
Total debt applicable to limit	117,415,000	95,010,000	69,250,000	62,160,000
Legal debt margin	\$ 27,752,236	\$ 34,379,694	\$ 40,375,459	\$ 37,375,913
Percent of debt limit	19.12%	26.57%	36.83%	37.55%

(1) Polk County Auditor

2004	2003	2002	2001	2000	1999
\$ 1,709,686,954	\$ 1,593,325,276	\$ 1,406,644,065	\$ 1,311,950,842	\$ 1,158,750,458	\$ 1,098,158,530
85,484,348	79,666,264	70,332,203	65,597,542	57,937,523	54,907,927
42,240,000	37,845,000	32,365,000	29,085,000	28,800,000	26,030,000
11,125,000	-	8,895,000	7,880,000	6,670,000	8,030,000
53,365,000	37,845,000	41,260,000	36,965,000	35,470,000	34,060,000
\$ 32,119,348	\$ 41,821,264	\$ 29,072,203	\$ 28,632,542	\$ 22,467,523	\$ 20,847,927
37.57%	52.50%	41.34%	43.65%	38.78%	37.97%

City of Ankeny, Iowa

Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Sewer Fund				
	Gross Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Maximum Debt Service Requirements (2)	Coverage
1999	\$ 2,758,229	\$ 903,160	\$ 1,855,069	\$ 1,184,817	1.5657
2000	2,831,168	897,946	1,933,222	1,184,817	1.6317
2001	2,963,233	1,048,085	1,915,148	1,126,910	1.6995
2002	3,016,404	1,204,985	1,811,419	1,113,509	1.6268
2003	3,105,152	1,273,837	1,831,315	1,100,379	1.6643
2004	3,311,739	1,864,093	1,447,646	1,069,094	1.3541
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A

(1) Total operating expenses exclusive of depreciation.

(2) Includes principal and interest of revenue bonds and capital loan notes.

Note:

Sewer Fund has no coverage requirements starting with fiscal year 2005.

Water Fund issued revenue bonds with coverage requirements in fiscal years 2006 and 2007.

Water Fund					
Gross Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Annual Debt Service Requirements (2)	Coverage	
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
5,771,431	3,470,469	2,300,962	285,843	8.0497	
5,587,391	4,839,031	748,360	436,744	1.7135	
5,662,041	4,581,601	1,080,440	653,994	1.6521	

City of Ankeny, Iowa

Historical Economic Data
Last Ten Years

Employment				Personal Income (3)			Retail Sales (4)		
Calendar Year	Population (1)	Labor Force (2)	Unemployment Rate (2)	Calendar Year	Personal Income (000's)	Per Capita	Fiscal Year	Number of Businesses	Taxable Sales
1998	21,485	259,400	2.1%	1998	N/A	N/A	1998	2,559	\$ 222,064,471
1999	21,485	260,000	1.9%	1999	N/A	N/A	1999	2,546	244,161,790
2000	27,117	279,600	2.7%	2000	N/A	N/A	2000	2,571	277,266,781
2001	27,117	285,500	3.3%	2001	N/A	N/A	2001	2,634	296,942,692
2002	27,117	289,400	4.0%	2002	N/A	N/A	2002	2,789	336,282,498
2003	27,117	289,600	4.0%	2003	17,303,000	34,326	2003	2,840	371,959,626
2004	27,117	294,500	4.4%	2004	18,824,000	36,724	2004	2,909	415,484,756
2005	36,161	301,300	4.2%	2005	19,750,000	37,737	2005	3,070	466,908,168
2006	36,161	307,500	3.3%	2006	21,144,000	39,579	2006	3,179	514,316,083
2007	36,161	376,000	3.7%	2007	22,457,000	41,085	2007	3,591	538,000,263

(1) U.S. Census Bureau

(2) Iowa Workforce Development, Des Moines Metropolitan Service Area

(3) U.S. Bureau of Economic Analysis, Des Moines Metropolitan Service Area

(4) Iowa Department of Revenue, fiscal year ending March 31

(5) City of Ankeny Planning and Building Department

Building Permits (5)				
Calendar Year	Commercial Permits Issued	Dollar Value of Permits Issued	Residential Permits Issued	Dollar Value of Permits Issued
1998	21	\$ 17,915,920	491	\$ 43,638,985
1999	13	9,317,344	494	43,489,161
2000	15	15,391,688	464	38,927,193
2001	21	15,153,000	601	54,065,206
2002	42	16,353,324	738	74,449,704
2003	30	14,829,798	1,042	119,766,928
2004	27	24,623,712	1,085	130,039,464
2005	30	21,570,268	1,311	203,434,307
2006	30	29,709,708	845	136,156,818
2007	26	38,933,191	581	107,924,995

City of Ankeny, Iowa

Principal Employers (1)
Current Year and Nine Years Ago

Employer (2)	Type of Business	Fiscal year 2008			Fiscal Year 1999		
		Approximate Number of Employees	Rank	Percent of Total City Employment	Approximate Number of Employees	Rank	Percent of Total City Employment
John Deere	Farm implements	1,350	1	5.77%	1,200	1	9.23%
Ankeny Community Schools	Education	999	2	4.27%	675	2	5.19%
DMACC	Education	630	3	2.30%	625	4	4.81%
Casey's General Stores	Corporate headquarters/distribution	538	4	2.69%	350	6	2.69%
Perishable Distributors of Iowa	Wholesale meat/bakery distributor	450	5	1.92%	470	5	3.62%
Tone Brothers, Inc.	Spice manufacturing/distribution	425	6	1.82%	640	3	4.92%
City of Ankeny	Government	364	7	1.56%	128	9	0.98%
Mrs. Clarks Foods	Manufacturing and distribution	310	8	1.11%			
SYSCO Food Services of Iowa	Wholesale distribution	260	9	1.32%			
Praxair	Industrial gases/welding equipment	151	10	0.65%	130	8	
Younkers Distribution	Retail distribution				175	7	1.35%
Techniplas	Custom injection mold plastics				104	10	0.80%
Total		<u>5,477</u>		<u>23.41%</u>	<u>4,497</u>		<u>34.59%</u>

(1) City of Ankeny Economic Development Department

(2) Does not include retail employers

City of Ankeny, Iowa

Number of Permanent City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Public Safety:										
Police:										
Police Administration	3.00	3.00	3.00	3.00	3.00	2.80	2.80	3.00	3.00	3.00
Operations	39.00	36.00	31.00	29.00	28.00	27.00	25.00	25.00	23.00	24.00
Special Services	-	-	9.00	8.00	8.00	10.00	10.00	10.00	9.00	8.00
Support Services	14.00	14.00	6.50	8.50	8.30	7.50	11.00	8.50	8.50	8.50
Fire:										
Fire Support	3.00	3.00	2.00	2.00	2.00	2.75	2.25	3.25	3.25	2.50
Fire Suppression	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Ambulance & Rescue	7.50	7.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00
Code Enforcement	9.00	10.00	9.00	8.00	6.00	6.50	5.50	5.00	5.00	3.50
Total Public Safety	77.50	75.00	65.50	62.50	59.30	60.55	60.55	57.75	54.75	50.50
Health and social services:										
Public Relations	3.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and Recreation:										
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.60	6.60
Parks and Recreation:										
Park Administration	2.00	1.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Park Maintenance	7.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Recreation Programs	4.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00	1.80	1.50
Prairie Ridge Sports Complex	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Total Culture and Recreation	22.00	20.75	19.75	17.00	17.00	17.00	17.00	15.00	13.40	13.10
Public Works:										
Engineering	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Street Cleaning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Safety	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roadway Administration	6.25	5.25	5.25	4.50	3.70	3.70	2.50	2.50	2.50	1.50
Roadway Maintenance	12.00	14.00	14.00	13.00	12.00	12.00	12.00	12.00	11.00	10.00
Central Garage	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Total Public Works	29.25	26.25	26.25	23.50	21.70	21.70	21.50	21.50	19.50	17.50
Community and Economic Development:										
Development and Promotion	0.00	0.00	0.00	1.00	1.00	1.00	3.00	3.00	2.00	2.00
Planning & Zoning	5.50	5.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50
Planning and Building Admin	2.00	2.00	2.00	2.80	2.80	2.00	0.00	0.00	0.00	0.00
Economic Development	3.00	3.00	2.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Community and Economic Development:	10.50	10.50	9.30	8.30	8.30	7.50	7.50	7.50	5.50	5.50
General Government:										
Human Resources	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.00
Policy & Administration	4.00	5.00	4.00	4.00	4.00	4.00	3.00	5.00	4.00	4.00
City Clerk	4.50	4.00	4.00	3.50	3.00	3.00	3.00	2.50	2.50	2.50
Finance	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.75
Information Systems	4.00	4.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00	0.00
Total General Government	18.25	17.75	15.75	15.25	14.75	14.75	14.75	13.25	12.25	12.25
Water										
Water Administration	7.50	3.50	3.50	3.50	2.50	2.50	2.00	2.00	2.00	2.00
Water Maintenance	8.00	8.00	7.00	7.00	7.00	6.00	6.00	5.00	4.00	4.00
Total Water	15.50	11.50	10.50	10.50	9.50	8.50	8.00	7.00	6.00	6.00
Sewer:										
Wastewater Administration	3.50	3.50	3.50	3.00	2.50	2.50	2.00	2.00	2.00	2.50
Wastewater Operations	11.00	11.00	10.00	10.00	10.00	8.00	8.00	9.00	8.00	8.00
Total Sewer	14.50	14.50	13.50	13.00	12.50	10.50	10.00	11.00	10.00	10.50
Storm water:										
Stormwater Administration	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Otter Creek Golf Course:										
Golf Course Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Golf Course Club House	1.00	1.50	1.50	1.50	1.50	0.50	0.50	0.00	0.00	0.00
Total Otter Creek Golf Course	4.00	4.50	4.50	4.50	4.50	3.50	3.50	3.00	3.00	3.00
Total	195.50	182.75	166.05	154.55	147.55	144.00	142.80	136.00	124.40	118.35

City of Ankeny, Iowa

Operating Indicators by Function (1)
Last Seven Years

Function	2008	2007	2006	2005	2004	2003	2002
Public safety:							
Police:							
Calls for service (3)	35,668	30,160	31,756	35,219	28,715	21,621	21,132
Yearly miles logged by patrol (3)	332,686	288,976	310,234	345,187	319,918	284,923	251,628
Fire:							
Fire calls (3)	678	743	773	724	600	490	532
Ambulance calls (3)	2,092	1,875	1,640	1,676	1,498	1,387	1,274
Code Enforcement:							
Residential permits issued (3)	581	845	1,311	1,085	1,042	738	601
Commercial permits issued (3)	26	30	30	27	30	42	21
Culture and recreation:							
Library:							
Circulation (2)	447,912	367,723	350,213	320,910	316,217	308,081	300,000
Program attendance (2)	26,615	21,825	21,840	19,109	11,647	10,742	N/A
Parks and Recreation:							
Aquatic center attendance (3)	77,238	73,555	85,776	55,421	66,756	78,504	N/A
Public works:							
Street Cleaning:							
Tons of debris cleared (2)	443	227	391	649	670	N/A	N/A
Community and economic development:							
Planning and Building:							
Number of plats recorded (3)	19	31	35	44	42	29	27
Acres final platted (3)	630	719	555	823	582	299	404
General government:							
Human resources:							
Number of applications managed (3)	2,084	1,547	1,308	940	964	1,078	N/A
Water:							
Avg daily water consumption-gallons (2)	3,793,000	3,879,000	4,227,000	3,693,000	4,170,000	3,383,000	3,239,000
Average number of meters (2)	15,255	14,311	14,140	12,259	11,160	10,241	9,538
Sewer:							
Avg daily sewer treatment-gallons (2)	5,863,000	5,192,000	3,652,000	4,008,000	3,784,000	3,278,000	3,177,000
Otter Creek golf course:							
Number of rounds played (3)(4)	-	33,591	36,123	38,695	38,081	35,467	38,613

(1) City of Ankeny Service Efforts and Accomplishments Report

(2) Fiscal Year

(3) Calendar Year

(4) Otter Creek golf course was closed during FY 2008 for reconstruction.

City of Ankeny, Iowa

Capital Asset Statistics by Function (1)
Last Seven Fiscal Years

Function	2008	2007	2006	2005	2004	2003	2002
Public safety:							
Police:							
Number of police stations	1	1	1	1	1	1	1
Fire:							
Number of fire stations	1	1	1	1	1	1	1
Health and social services:							
Mosquito control:							
Mosquito sprayers	3	3	2	1	1	1	1
Culture and recreation:							
Library:							
Number of branches	1	1	1	1	1	1	1
Titles	89,506	86,273	82,955	78,697	75,411	74,779	70,000
Parks and Recreation:							
Community centers	2	2	2	2	2	1	1
Sports complexes	2	2	2	2	2	2	2
Park acres developed	467	425	415	403	400	N/A	N/A
Public works:							
Miles of streets	197	182	175	163	148	136	N/A
General government:							
Data Processing							
Number of personal computers	319	312	225	190	170	150	N/A
Water:							
Above ground storage-gallons	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Miles of water main	286	230	196	163	160	158	140
Sewer:							
Number of treatment plants	1	1	1	1	1	1	1
Number of lift stations	5	5	5	5	5	5	4
Miles of sanitary sewer	211	201	200	186	170	139	131
Otter Creek golf course:							
Number of municipal golf courses	1	1	1	1	1	1	1

(1) City of Ankeny Service Efforts and Accomplishments Report

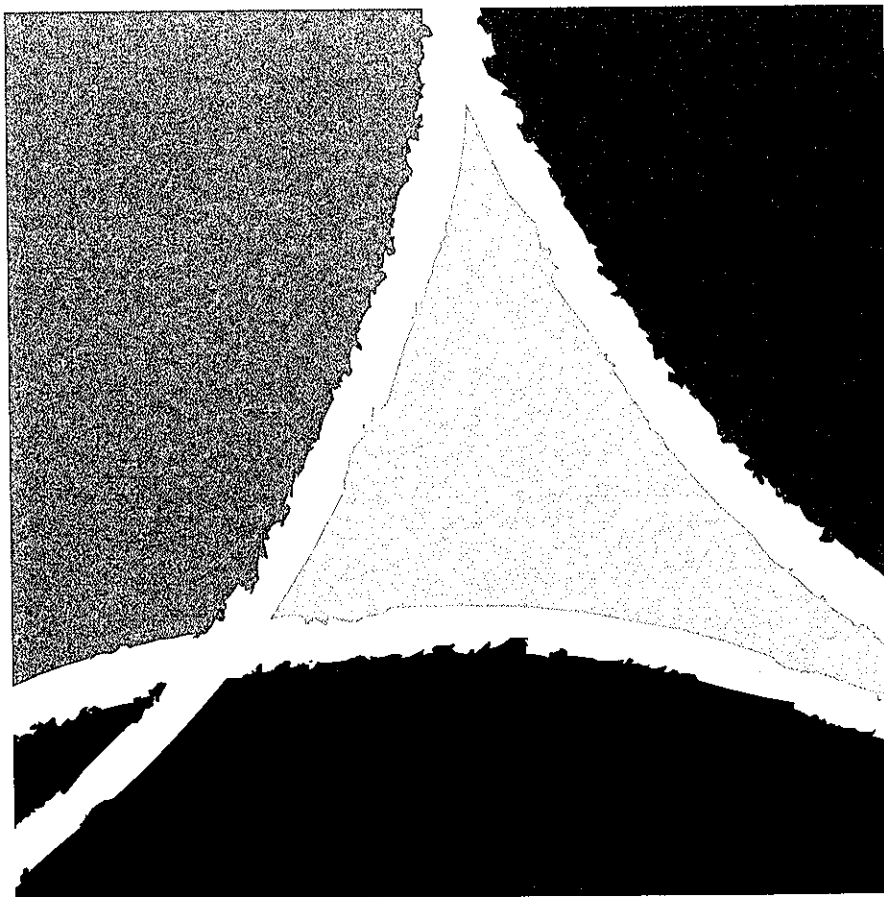
City of Ankeny, Iowa

Insurance Schedule (1)
June 30, 2008

Insurance Company	Policy Number	Type of Coverage
Iowa Communities Assurance Pool	LDCP 0100-ICAP	Liability: Legal liability Automotive liability Wrongful acts Law enforcement liability Liquor liability Appeal, bail, property release bonds Claim and defense expenses Pollution cost for automobiles Employee benefit Good samaritan Medical malpractice Post/pre-judgment interest Stop gap Under/uninsured motorist Employee dishonesty Chlorine, pesticides, anti-skid materials Fire department and training Wastewater treatment plant-liability/clean-up expense Sewer back-up Property: Buildings Personal property Data processing equipment/accounts receivable Newly constructed/acquired buildings Personal property at newly acquired locations Valuable papers and records Earnings protection Ordinance or law Commandeered property Expediting expenses Preservation of property Temporary storage Pollutant cleanup Transit Boiler Earthquake Employee dishonesty Errors or omissions Fine arts
Iowa Municipal Workers Compensation Association	0643	Worker's compensation
Wellmark BCBS of Iowa	038	Employee health insurance

(1) City of Ankeny Administrative Services Department and Human Resources Office

Liability Limits	Deductible	Policy Expiration
		07/15/2008
\$6,000,000	\$0	
\$6,000,000	\$0	
\$6,000,000	\$2,500	
\$6,000,000	\$5,000	
\$1,000,000	\$0	
Unlimited	\$0	
Unlimited	\$0	
\$6,000,000	\$0	
\$1,000,000	\$1,000	
\$6,000,000 each	\$0	
\$6,000,000	\$0	
Unlimited	\$0	
\$6,000,000	\$0	
\$500,000	\$0	
\$100,000/\$500,000	\$0	
\$6,000,000	\$0	
\$500,000	\$0	
\$50,000 each, \$50,000 aggregate	\$0	
\$250,000 each, \$250,000 aggregate	\$0	
\$48,159,981	\$1,000	
\$9,120,720	\$1,000	
\$100,000	\$1,000	
\$2,000,000	\$1,000	
\$1,000,000	\$1,000	
\$100,000	\$1,000	
\$100,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$250,000	\$1,000	
\$100,000	\$1,000	
\$100,000	\$1,000	
\$1,000,000	\$2,500	
\$20,000,000	10% of loss	
\$50,000	\$500	
\$500,000	\$1,000	
\$19,500	\$1,000	
Statutory	N/A	06/30/2008
\$1,000,000 excess aggregate	\$55,000 per participant	07/31/2008
	\$1,465,890 aggregate	



Compliance Section



**Clifton
Gunderson LLP**

Certified Public Accountants & Consultants

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

To the Honorable Mayor and
Members of the City Council
City of Ankeny
Ankeny, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Ankeny as of and for the year ended June 30, 2008, which collectively comprise City of Ankeny's basic financial statements and have issued our report thereon dated April 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ankeny's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings as item II-A-08, to be a significant deficiency in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described in the accompanying schedule of findings is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Ankeny's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in Part III of the accompanying schedule of findings.

City of Ankeny's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City of Ankeny's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, management, employees and citizens of the City of Ankeny and other parties to whom the City of Ankeny may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extend to us by personnel of the City of Ankeny during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Clifton Henderson LLP

Cedar Rapids, Iowa
April 29, 2009

CITY OF ANKENY

Schedule of Findings

Year Ended June 30, 2008

SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes _____ yes
- Noncompliance material to financial statements noted? _____ yes x no

FINANCIAL STATEMENT FINDINGS

II-A-08 SEGREGATION OF DUTIES IN THE PAYROLL FUNCTION

Criteria: The City has a responsibility to establish and maintain effective internal controls over financial transactions and reporting, which includes adequate segregation of duties.

Condition: A position in the Human Resources Department has the authority to enter hours to the payroll system, set up a new employee, change rates within the payroll system, print checks, and distribute them to the department heads and has access to the blank payroll check stock.

Questioned Costs: None.

Context: During inquiries of management and our audit of the payroll function, we noted that there was an individual in the Human Resources Department that could perform all of the steps in the payroll function.

Effect: Incompatible duties were not properly segregated.

Cause: Ideal separation of incompatible duties is difficult with the size of the Human Resources Department.

Recommendation: When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities.

FINANCIAL STATEMENT FINDINGS

II-A-08 SEGREGATION OF DUTIES IN THE PAYROLL FUNCTION (CONTINUED)

We recommend the following:

1. Access to the payroll master file is segregated from the ability to enter hours worked and routine payroll functions.
2. Access to the blank payroll check stock should be segregated from the ability to print checks. In addition, the check stock sequence should be tracked and monitored.

Management Response and corrective action plan: We agree, and the City will continue to look for ways to realign and reassign duties where practical.

FINDINGS RELATED TO STATUTORY REPORTING

- III-A-08 Certified Budget - Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted. Chapter 384.20 of the Code of Iowa states, in part, "public monies may not be expended or encumbered except under an annual or continuing appropriation."
- III-B-08 Questionable Disbursements - We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- III-C-08 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- III-D-08 Business Transactions - We noted no business transactions between the City and City officials or employees.
- III-E-08 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should continue to be reviewed annually to insure that the coverage is adequate for current operations.
- III-F-08 Council Minutes - We noted no transactions that we believe should have been approved in the council minutes and were not.
- III-G-08 Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED):

III-H-08 Deficit Balances - The City had deficit balances in the Storm Water Fund and the Road Use Tax Fund at June 30, 2008.

Recommendation - The City should take appropriate action to return these funds to sound financial condition.

Response - The City will transfer monies to these funds to eliminate the deficits.

Conclusion - Response accepted

